

***United States Court of Appeals
for the Second Circuit***



APPENDIX

No. 74-1361

B

In the
United States Court of Appeals
For the Second Circuit

ALLSTATE INSURANCE COMPANY,

Petitioner,

vs.

NATIONAL LABOR RELATIONS BOARD,

Respondent.

PETITION TO REVIEW AND SET ASIDE A DECISION AND ORDER
OF THE NATIONAL LABOR RELATIONS BOARD.

JOINT APPENDIX



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PAGINATION AS IN ORIGINAL COPY

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APPENDIX

**CHRONOLOGICAL LIST OF RELEVANT
DOCKET ENTRIES**

In the Matter of Allstate Insurance Co.

Case No. 29-CA-3099

- 11- 6-72 Charge filed
- 1-15-73 Complaint and Notice of Hearing dated
- 1-22-73 Motion for postponement of hearing, dated
- 1-22-73 Motion for extension of time for filing answer, dated
- 1-22-73 Motion for a more definite statement and alternate motion to strike portions of paragraphs 8, 9, and 10 of complaint, dated
- 1-30-73 Order rescheduling hearing and extending time to answer, dated
- 2-22-73 Reply to motion for a more definite statement, dated
- 2-23-73 Order amending complaint, dated
- 2-26-73 Request for postponement, dated
- 2-28-73 Order on Petitioner's Motion for more definite statement, dated
- 3- 7-73 Order rescheduling hearing, dated
- 3- 8-73 Answer to Complaint as Amended, dated
- 3-12-73 Request for postponement, dated
- 3-15-73 Regional Director's letter denying request for postponement, dated
- 4- 3-73 Hearing opened
- 5- 2-73 Hearing closed

- 7- 3-73 Administrative Law Judge's Decision issued
- 8- 8-73 General Counsel's Exceptions to the Administrative Law Judge's Decision, received
- 8-14-73 Charging Party's Exceptions to the Administrative Law Judge's Decision, received
- 8-15-73 Petitioner's Exceptions to the Administrative Law Judge's Decision, received
- 3-12-74 Board's Decision and Order dated

UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD
Region 29

Ailstate Insurance Company	}	Case No. 29-CA-3099.
and		
Local 365, United Automobile, Aero-		
space and Agricultural Implement Workers of America, International Union.		

COMPLAINT AND NOTICE OF HEARING

It having been charged by Local 365, United Automobile, Aerospace and Agricultural Implement Workers of America, International Union, herein called the Union, that Allstate Insurance Company, herein called Respondent, has engaged in, and is engaging in, certain unfair labor practices affecting commerce as set forth and defined in the National Labor Relations Act, as amended, 29 U. S. C., Sec. 151, *et seq.*, herein called the Act, the General Counsel of the National Labor Relations Board, herein called the Board, on behalf of the Board, by the undersigned Regional Director for Region 29, pursuant to Section 10(b) of the Act and the Board's Rules and Regulations—Series 8, as amended, Section 102.15, hereby issues this Complaint and Notice of Hearing and alleges as follows:

1. The Charge in this proceeding was filed by the Union on November 6, 1972, and served by registered mail upon Respondent the same date.
2. Respondent is and has been at all times material herein a corporation duly organized under, and existing by virtue of, the laws of the State of Illinois.

3. At all times material herein Respondent, a wholly owned subsidiary of Sears, Roebuck and Company, has maintained its principal office and place of business at Northbrook, Illinois, and branch offices at Baldwin, New York and various other places of business throughout the United States and Canada, where it is, and has been at all times material herein, engaged in the sale of insurance.

4. During the past year, which period is representative of its annual operations generally, Respondent, in the course and conduct of its business operations, sold insurance throughout the United States and Canada, valued in excess of \$50,000.

5. Respondent, is and has been at all times material herein an employer engaged in commerce within the meaning of Section 2(2), (6) and (7) of the Act.

6. The Union, is and has been at all times material herein a labor organization within the meaning of Section 2(5) of the Act.

7. John Cartiglia, Area Manager, Richard Hicks, Assistant Branch Manager, Eddie Fowler, Branch Manager, Larry Deaner, Assistant Branch Manager and Don Belger, Branch Manager, are, and have been at all times material herein agents of Respondent, acting on its behalf, and supervisors thereof within the meaning of Section 2(11) of the Act.

8. On or about June 5, 1972, and on various other dates presently unknown during the months of July, 1972, August, 1972, and September, 1972, Respondent, by Larry Deaner its Assistant Branch Manager, its supervisor, and by other agents and supervisors presently unknown, interrogated its employees concerning the employees' membership in, activities on behalf of, and sympathy in and for the Union.

9. On or about June 5, 1972, and on various other dates presently unknown during the months of July, 1972, August, 1972, and September, 1972, Respondent by Eddie Fowler, its Branch Manager, its supervisor, and by other agents and super-

visors presently unknown, warned and directed its employees to refrain from becoming or remaining members of the Union, and to refrain from giving any assistance or support to it.

10. On or about June 5, 1972, and on various other dates presently unknown during the months of July, 1972, August, 1972 and September, 1972 Respondent, by Eddie Fowler, its Branch Manager, its supervisor, and by other agents and supervisors presently unknown, threatened its employees with discharge and other reprisals if they became or remained members of the Union and if they gave any assistance and support to it.

11. On or about August 28, 1972, Respondent discharged its employee Edgar Hansen.

12. Since the date of the discharge of the employee as described above in paragraph 11, Respondent has failed and refused to reinstate, or offer to reinstate, said employee to his former or substantially equivalent position of employment.

13. Respondent discharged and thereafter failed and refused to reinstate its employee Edgar Hansen, as described above in paragraphs 11 and 12, because said employee joined and assisted the Union, and engaged in other concerted activity for the purpose of collective bargaining and mutual aid and protection.

14. By the acts described above in paragraphs 8 through 13 and by each of said acts, Respondent interfered with, restrained and coerced, its employees in the exercise of the rights guaranteed in Section 7 of the Act, and thereby engaged in and is engaging in unfair labor practice affecting commerce within the meaning of Section 8(a)(1) and Section 2(6) and (7) of the Act.

15. By the acts described above in paragraphs 11 through 13 and by each of said acts, Respondent, discriminated and is discriminating in regard to the hire and tenure and terms and conditions of employment of its employees, thereby dis-

couraging membership in a labor organization, and thereby engaged in and is engaging in unfair labor practices affecting commerce within the meaning of Section 8(a)(3) and Section 2(6) and (7) of the Act.

16. The acts of Respondent described above in paragraphs 8 through 13, occurring in connection with the operations of Respondent, described above in paragraphs 2 through 5, have a close, intimate, and substantial relation to trade, traffic, and commerce among the several States and tend to lead to labor disputes burdening and obstructing commerce and the free flow of commerce.

PLEASE TAKE NOTICE that on the 12th day of February, 1973, at 11 a.m. at 16 Court Street, Fourth Floor, in the Borough of Brooklyn, State of New York, a hearing will be conducted before a duly designated Administrative Law Judge of the National Labor Relations Board on the allegations set forth in the above Complaint, at which time and place you will have the right to appear in person, or otherwise, and give testimony. Form NLRB-4668, Statement of Standard Procedures in formal hearings held before the National Labor Relations Board in unfair labor practice cases, is attached.

You are further notified that, pursuant to Sections 102.20 and 102.21 of the Board's Rules and Regulations, the Respondent shall file with the undersigned Regional Director, acting in this matter as agent of the National Labor Relations Board, an original and four (4) copies of an answer to the said Complaint within ten (10) days from the service thereof, and that unless it does so all of the allegations in the Complaint shall be deemed to be admitted by it to be true and may be so found by the Board. Immediately upon the filing of its answer,

Respondent shall serve a copy thereof on each of the other parties.

Dated at Brooklyn, New York this 15th day of January, 1973.

/s/ Samuel M. Kaynard
Regional Director
National Labor Relations Board
Region 29
16 Court Street
Brooklyn, New York 11241

UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD
* * (Caption—29-CA-3099) * *

MOTION FOR A MORE DEFINITE STATEMENT AND
ALTERNATE MOTION TO STRIKE PORTIONS OF
PARAGRAPHS 8, 9 AND 10 OF COMPLAINT

Counsel for Respondent, Lederer, Fox and Grove, pursuant to Section 102.24 of the Rules and Regulations of the National Labor Relations Board, Series 8, as amended, hereby moves that counsel for the General Counsel supply or be required to supply Respondent with the following particulars pertaining to the Complaint herein:

(a) With regard to paragraph 8 of the Complaint, the dates in July, August and September, 1972 upon which Respondent is alleged to have interrogated improperly its employees concerning the Union; and the names of any and all agents and supervisors other than Larry Deaner who, it is contended, conducted such interrogations; or, in the alternative, that the allegations of improper interrogation in July, August and September, 1972 and the allegation as to interrogation by other agents and supervisors be stricken and eliminated from paragraph 8 of the Complaint.

(b) With regard to paragraph 9 of the Complaint, the dates in July, August and September, 1972 on which it is alleged that the Respondent warned and directed its employees to refrain from certain stated Union activities; and the names of the agents and supervisors other than Eddie Fowler, it is contended, improperly made such warning and direction to its employees; or, in the alternative, that the portions of paragraph 9 of the Complaint naming the months of July, August and September, 1972 and attributing such improper warning and direction to other agents and supervisors be stricken and eliminated from paragraph 9 of the Complaint.

(c) With regard to paragraph 10 of the Complaint, the dates in July, August and September, 1972 on which the Respondent is alleged to have threatened its employees with discharge and other reprisals; and the names of the agents and supervisors other than Eddie Fowler who, it is contended, threatened its employees as alleged; or, in the alternative, that the portions of paragraph 10 of the Complaint, which alleged such threats as having been made during the months of July, August and September, 1972 and which alleged that such threats were made by other agents and supervisors presently unknown be stricken and eliminated from said Complaint.

This motion and subparts (a), (b) and (c) thereof as hereinabove set forth are necessary to permit the Respondent to be apprised adequately of the contentions of paragraphs 8, 9 and 10 of the Complaint so that Respondent will be in a position to answer meaningfully said paragraphs of the Complaint and so that Respondent will be able to prepare to meet those allegations at the hearing to be held of said Complaint.

Moreover, since the Regional Director was obligated not to issue this Complaint herein until his investigation had been completed, it would be unfair and prejudicial to the Respondent to compel it to defend against the aforesaid matters alleged in paragraphs 8, 9 and 10 of the Complaint which presumably could be discovered only after further investigation occurring between the date of issuance of the Complaint and the date of hearing.

Counsel for Respondent is filing simultaneously herewith a motion for extension of time for filing answer until the 10th day after the particulars requested in this motion are supplied or in the event said motion is denied (which would be particularly

unjust under present circumstances as described above) until the 10th day after such denial.

Respectfully submitted,

Allstate Insurance Company

By Lederer, Fox and Grove

Per

Philip C. Lederer

*Attorneys for Allstate Insurance
Company*

111 West Washington Street

Chicago, Illinois 60602

Dated: January 22, 1973

CERTIFICATE OF SERVICE

I hereby certify that on the 22nd day of January, 1973 a copy of the above and foregoing Motion for a More Definite Statement and Alternate Motion to Strike Portions of Paragraphs 8, 9 and 10 of Complaint was sent via First Class Mail Certified, Return Receipt Requested, to

Local 365 U. A. W.
179 Jamaica Avenue
Brooklyn, New York

Edgar Hansen
1739 Roberta Lane
North Merrick, New York

John Walcer
26 Wood Avenue
Massapequa, Long Island, N. Y.

UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD
* * (Caption—29-CA-3099) * *

REPLY TO MOTION FOR A MORE
DEFINITE STATEMENT

Pursuant to a Motion for a More Definite Statement and Alternate Motion to Strike Portions of Paragraphs 8, 9 and 10 of Complaint herein, by Respondent Allstate Insurance Company, through its Attorney, Philip C. Lederer, the undersigned Counsel for the General Counsel submits the following Bill of Particulars:

1. With respect to paragraph (a) of the Motion, it is alleged that Respondent interrogated its employees on or about June 5 or August 4, 1972. General Counsel does not presently contend that any agents and supervisors other than Larry Deaner conducted such interrogation.

2. With respect to paragraph (b) of the Motion, it is alleged that Respondent warned and directed its employees to refrain from Union activities on or about June 5 or August 4, 1972. General Counsel does not presently contend that any agents and supervisors other than Eddie Fowler uttered such warnings or directions.

3. With respect to paragraph (c) of the Motion, it is alleged that Respondent threatened its employees with discharge on or about June 5 or August 4, 1972. General Counsel does not presently contend that any agents and supervisors other than Eddie Fowler uttered such threats.

Dated at Brooklyn, New York this 22nd day of February,
1973.

Submitted by:

/s/ Stephen E. Appell
Stephen E. Appell
Counsel for the General Counsel
National Labor Relations Board
Region 29
16 Court Street
Brooklyn, New York 11241

To: Eugene G. Goslee
Chief Administrative Law Judge
Division of Judges
National Labor Relations Board
Washington, D. C. 20570

Allstate Insurance Company
2360 Grand Avenue
Baldwin, N. Y.

Lederer, Fox & Grove Esqs.
111 West Washington Street
Chicago, Illinois 60602
ATTN: Philip C. Lederer, Esq.

LOCAL 365, U. A. W.
179 Jamaica Avenue
Brooklyn, New York 11207

UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD
* * (Caption—29-CA-3099) * *

ORDER AMENDING COMPLAINT

It Is Hereby Ordered that the complaint issued in the above matter on January 15, 1973, be, and the same hereby is amended, so that the numbered paragraphs following paragraph 10 will now read as follows:

11. On or about June 5, 1972 November 29, 1972, and a date presently unknown in the month of May, 1972, Respondent, by Richard Hicks, its Assistant Branch Manager and supervisor, and by Eddie Fowler, its Branch Manager and supervisor, conveyed the impression of keeping under surveillance the meeting places, meetings and activities of the Union, and the concerted activities of its employees conducted for the purpose of collective bargaining and other mutual aid and protection.

12. On or about June 5, 1972, or August 4, 1972, Respondent, by Larry Deaner, its Assistant Branch Manager and supervisor, required its employees to report on the meeting places, meetings and activities of the Union and on the concerted activities of its employees conducted for the purpose of collective bargaining and other mutual aid and protection.

13. On or about August 28, 1972, Respondent discharged its employee Edgar Hansen.

14. Since the date of the discharge of the employee as described above in paragraph 13, Respondent has failed and refused to reinstate, or offer to reinstate, said employee to his former or substantially equivalent position of employment.

15. Respondent discharged and thereafter failed and refused to reinstate its employee Edgar Hansen as described above in

paragraphs 13 and 14, because said employee joined and assisted the Union, and engaged in other concerted activity for the purpose of collective bargaining and mutual aid and protection.

16. By the acts described above in paragraphs 8 through 15 and by each of said acts, Respondent interfered with, restrained and coerced its employees in the exercise of the rights guaranteed in Section 7 of the Act, and thereby engaged in and is engaging in unfair labor practices affecting commerce within the meaning of Section 8(a)(1) and Section 2(6) and (7) of the Act.

17. By the acts described above in paragraphs 13 through 15 and by each of said acts, Respondent discriminated and is discriminating in regard to the hire and tenure of terms and conditions of employment of its employees, thereby discouraging membership in a labor organization, and thereby engaged in and is engaging in unfair labor practices affecting commerce within the meaning of Section 8(a)(3) and Section 2(6) and (7) of the Act.

18. The acts of Respondent described above in paragraphs 8 through 15, occurring in connection with the operations of Respondent, described above in paragraphs 2 through 5, have a close, intimate, and substantial relation to trade, traffic, and commerce among the several States and tend to lead to labor disputes burdening and obstructing commerce and the free flow of commerce.

Dated at Brooklyn, New York, this 23rd day of February, 1973.

/s/ Samuel M. Kaynard
Samuel M. Kaynard
Regional Director
National Labor Relations Board
Region 29
16 Court Street
Brooklyn, New York 11241

UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD
* * (Caption—29-CA-3099) * *

ANSWER TO COMPLAINT AS AMENDED

Allstate Insurance Company, by Lederer, Fox and Grove, its attorneys, hereby makes answer to the Complaint as amended herein as follows:

1. Admitted.
2. Admitted.
3. Admitted.
4. Admitted.
5. Admitted.
6. Admitted.

7. Admitted that the individuals named in paragraph 7 of the Complaint as amended are supervisors; but the Respondent neither admits nor denies that said individuals and each of them in all respects acted upon the behalf of the Respondent because Respondent does not have sufficient knowledge upon which to form a belief in respect thereto.

8. Respondent denies any and all interrogation as alleged in paragraph 8 of the Complaint as amended.

9. Respondent denies issuing any warning or direction to its employees in respect to Union activity as alleged in paragraph 9 of the Complaint as amended.

10. Respondent denies any and all threats of discharge or other reprisals to its employees as alleged in paragraph 10 of the Complaint as amended.

11. Respondent denies conveying the impression of keeping under surveillance the meeting places, meetings and activities of the Union, or any of them, and denies conveying the impres-

sion of keeping under surveillance the concerted activities of its employees, all as alleged in paragraph 11 of the Complaint as amended.

12. Respondent denies requiring its employees to report on the meeting places, meetings and activities of the Union, or any of them, and denies requiring its employees to report on the concerted activities of its employees, all as alleged in paragraph 12 of the Complaint as amended.

13. Admitted.

14. Admitted and the Respondent affirmatively states that discharge of its employee Edgar Hansen was made for cause wholly unrelated to Union activity.

15. Denied.

16. Denied.

17. Denied.

18. Denied.

Respectfully submitted,

Allstate Insurance Company

By: Lederer, Fox and Grove

/s/ Per: Philip C. Lederer

Philip C. Lederer

Attorneys for Respondent

111 West Washington Street

Chicago, Illinois 60602

Dated: March 8, 1973

CERTIFICATE OF SERVICE

I hereby certify that on the 8th day of March, 1973 a copy of the above and foregoing Answer to Complaint as Amended was sent via First Class Mail certified, return receipt requested, to:

Local 365 U. A. W.
179 Jamaica Avenue
Brooklyn, New York

Edgar Hansen
1739 Roberta Lane
North Merrick, New York

John Walcer
26 Wood Avenue
Massapequa, Long Island, N. Y.

/s/ Dorothy Beskin

UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD
* * (Caption—No. 29-CA-3099) * *

Stephen E. Appell, Esq., of
Brooklyn, N. Y. for the
General Counsel.

Philip C. Lederer, Esq., and
Bruce Stickler, of Lederer,
Fox and Grove and William H.
Owen, Employee Relations
Director, all of Chicago,
Ill., and Robert Morris of
Huntington Station, Long Island,
N. Y., for Respondent.

Solomon B. Marcus, Esq., of Brooklyn,
N. Y., for the Charging Party.

John Walcer, Esq., of Massapequa, N. Y.,
for Edgar Hansen.

Decision

Statement of the Case

Jennie M. Sarrica, Administrative Law Judge: Upon due notice this proceeding under Section 10(b) of the National Labor Relations Act, as amended (29 U. S. C. 151, *et seq.*), hereinafter referred to as the Act, was tried before me at Brooklyn, New York, on April 3 through 6, and May 1 and 2, 1973,¹ pursuant to a charge filed on November 6, 1972; a complaint issued January 15 and amended February 23, presenting allegations that Allstate Insurance Company, hereinafter referred to as the Respondent, committed unfair labor practices within the

1. Unless otherwise indicated, all dates are in 1972.

meaning of Sections 8(a)(1) and (3) and 2(6) and (7) of the Act; and Respondent's Answer denying that it committed any violation of the Act. Representatives of all parties were present and participated in the hearing.

Based on the entire record, including my observation of witnesses, and after due consideration of briefs, I make the following:

Findings and Conclusions

I. Jurisdiction

Respondent, a wholly owned subsidiary of Sears, Roebuck and Company, is an Illinois corporation with principal office and place of business at Northbrook, Illinois and branch offices at Baldwin, New York, and various other places of business throughout the United States and Canada, where it is engaged in the sale of insurance. During the past year, a representative period, Respondent sold insurance valued in excess of \$50,000 through its various offices. Respondent admits, and I conclude, that it is now, and was at all times material herein, an employer engaged in commerce within the meaning of Section 2(6) and (7) of the Act.

II. The Labor Organization

Respondent admits, and I find, that the Charging Party, Local 365, International Union United Automobile, Aerospace and Agricultural Implement Workers of America, is a labor organization within the meaning of Section 2(5) of the Act.

III. The Alleged Unfair Labor Practices

A. *The Issues*

It is alleged in the complaint that Respondent violated Section 8(a)(1) of the Act by interrogating its employees; warning them to refrain from union membership or activity; threatening employees with discharge or other reprisal if they engaged in such activity; requiring employees to report on union meeting

places, meetings and activities and on the concerted activities of other employees; and conveying the impression to employees that it was keeping under surveillance the union meeting places, meetings and activities and the concerted activities of its employees. It is further alleged that Respondent violated Section 8(a)(3) and (1) of the Act by discharging employee Edgar Hansen and failing and refusing to reinstate or offer reinstatement to him because he joined and assisted the Union and engaged in other protected concerted activity. Respondent denied engaging in any unlawful conduct, and asserted that Hansen was discharged for cause.

B. The Alleged Violations of

*Section 8(a)(1)
of the Act*

1. Background

Before the charging party commenced organizing efforts, another union was conducting a campaign to represent the employees in the various claims offices of Respondent in the Long Island area. Respondent's opposition to unionization and its counterunion campaign included the formation of a reporting network to carry out instructions from the Personnel Department to keep it informed. This network utilized the established structure from the lowest supervisor through channels to John Cartiglia, the Regional Claims Manager and thence to Zone Personnel Manager Dufford and Employee Relations Director Owens in the Chicago home office. Nor was the character of this network confined to supervisors merely reporting the unusual. Cartiglia as the hub of this system issued directives on how information concerning union activity should be gathered and what actions to avoid, and held several conferences with his managers, the purpose of which was to exchange and discuss organizational information and coordinate opposition to unionization. The policy and method of administering this union opposition

network became a continuing procedure existing throughout the time relevant herein.

When reports of union activity became widespread and numerous Cartiglia, with the advice and approval of Owens and Dufford, wrote the October 5, 1971, letter which each of his managers distributed to all their employees. In this letter Cartiglia made many representations about the ineffectiveness of the Union elsewhere, and questionable motives of those connected with the Union then involved, made several unfavorable commentaries on the effects of unionization and of signing a union card, and announced that Cartiglia would visit each claims office within the next few weeks for the purpose of talking over employee problems without a union, stating "this is too important for us to stand idly by and let . . . Allstate people be led by" the Union.

Beginning in mid-October, and continuing into November 1971, as promised, Cartiglia made his unprecedented visits to each office to speak with employees. With the manager at each location present, he talked with employees in small groups gathered around a conference table. The format of these meetings was designed to encourage individual participation by employees. Their reports of working conditions which were the source of employee discontent and their views were solicited. Cartiglia rectified some situations mentioned, made notes of other employee comments, and promised to return in December.²

Local 365, the Union herein, was engaged in organizing efforts among Respondent's employees in other nearby areas. Around the time of Cartiglia's visits the Union received inquiries from a small group of Respondent's employees about organizing the Long Island territory. Accordingly, preliminary meetings with the interested groups were held at three different Long

2. As the letter and meetings which followed fall outside the 10(b) period no conclusions are reached as to whether the letter exceeded the limits of the free speech proviso or whether the meetings or any statements made constituted interference, restraint or coercion.

Island locations on November 7, 19, and 26, 1971.³ All communications by the Union with Respondent's Long Island employees were mailed to them at their homes.⁴ Meetings were conducted by the Union with employees of the Respondent on May 4 or 5, June 5 and August 3, 1972, with appropriate advance announcements made to employees through the Postal Service. Copies of such announcements and communications to employees, as well as information concerning union activity, were supplied Cartiglia through the supervisory network.

2. The conduct involved

Employee Hansen attended the June 5, meeting after which he went to the East Bay Diner where he met Edwin Fowler, his former manager. Hansen disclosed he had just come from the union meeting and Fowler informed him "You know, the Company knows who is going to those meetings and as soon as the Union folds their tent everybody is going to be fired." I do not credit Fowler's denial that he made this statement, and find that Respondent thereby engaged in unlawful interference, restraint and coercion by giving the impression of surveillance, warning

3. Respondent's knowledge of the efforts of this small group is indicated by the testimony of employee Greene, which I credit, that in a conference with his two supervisors in late November 1971, held to discuss the terms of his raise, Greene was told they wanted a commitment that he would support the Company rather than Local 365.

4. The first communication by the Union for general distribution among the Respondent's Long Island employees was prepared and dated in February 1972 but was not sent out until early May because of delays in receiving lists of names and addresses from some offices. However, in March 1972, Cartiglia dispatched a letter to employees noting the change in the identity of the organizing union, asserting that the same small self-seeking few were behind it, reminding employees of his October 1971 letter and the meetings which followed, and endorsing the statements and positions advanced at the earlier date. This communication also indicates the efficiency and depth of the Respondent's information gathering arrangement.

against supporting the Union and threatening retaliation by discharge of employees who engage in union activity.

The following morning Hansen was at his office in Baldwin where unit Supervisor Hicks asked him who was at the union meeting the previous night, then commented "We know who was there." Hicks asked Hansen how the meeting went and Hansen asked how Hicks had learned about the meeting. Hicks replied, "We know." I do not credit Hicks' denial that he had any conversation with Hansen involving the Union from April through December 1972, or that he made the inquiries and statements attributed to him. I find that in this conversation Respondent, through Supervisor Hicks, engaged in unlawful interrogation and conveyed the impression that union meetings and activities of employees were under surveillance, both in violation of the Act.

Hansen, whose work involved investigations conducted outside the office, had lunch at Nathan's Restaurant in Oceanside, Long Island, and was reading the Union's July 26 letter announcing the forthcoming meeting which he had picked up in his morning mail when Fowler, manager of the Hollis, Long Island, office and Lostella, his casualty unit supervisor, appeared. Fowler asked Hansen if he was going to attend the union meeting announced in the union flyer and Hansen indicated he was uncertain. Fowler denied making this inquiry and asserts that Hansen voluntarily informed him of receipt of a union meeting announcement which Hansen said he had in the car. Lostella, who was present, testified Hansen mentioned the notice and commented he wondered how the Union got his name and address

5. The evidence establishes that a similar incident took place the morning after Hansen attended the May union meeting. As this would have occurred on a date beyond the 10(b) period, the incident may not be found to have constituted a violation of Section 8(a)(1) of the Act. However, it is relevant evidence relating to Respondent's knowledge concerning Hansen's union activity and to the extent of Respondent's opposition to unionization.

to which Fowler replied that the names and addresses of employees were readily available in the office records. Fowler, however, fixed the time and place of the conversation concerning the availability of employees' names and addresses as having occurred on June 21, at the East Bay Diner in Bellemore and indicated that he and Hansen were alone on that occasion. I credit Hansen and find that Fowler's inquiry on or about July 28, as to whether Hansen was going to attend the union meeting constitutes unlawful interrogation.

During that afternoon Hansen called his home and was given a message to call his supervisor, Larry Deaner. Hansen did so and Deaner asked him where he had been for lunch, who he had been with and what they had discussed. When Hansen told him, Deaner demanded "Who the hell are you working for, Eddie—Fowler, Belger or me?" Deaner told Hansen that Fowler had called Cartiglia who had called Belger (manager of Hansen's office) who had come to Deaner demanding to know why Hansen was attending and participating in those union meetings. Deaner advised Hansen that if he was going to be with the Union he could forget the outside job with the company car. Fowler admitted calling Cartiglia and reporting both the encounter with Hansen and the information obtained. Deaner testified that his call to Hansen was on a matter of personal good will and that the report to him by Belger of Fowler's conversation with Hansen that noon was brought up only incidentally when he inquired why Hansen had not told him of the Union's flyer. By way of explanation Deaner indicated that what he had objected to was the fact that Hansen told Fowler rather than him and he had to hear about it from someone outside his unit. I credit Hansen's version of this conversation and find that, through Supervisor Deaner, Respondent attempted to require employees to report on union meetings and activities, unlawfully interrogated Hansen, and threatened to change his job assignment in retaliation for his union activities, each in violation of Section 8(a)(1) of the Act.

*C. The Alleged Violation of Section 8(a)(3)
of the Act*

Edgar Hansen was employed by Respondent in November 1960. For the entire period of his employment with Respondent Hansen worked as a claims adjuster. During this period various supervisors have evaluated his job performance as excellent and superior and he received intermittent promotions and raises. His reputation for honesty and integrity was attested to by witnesses who had worked with him. Hansen attained the position of Senior Casualty Adjuster in 1971, and at the time of his discharge on August 28, 1972, he was one of the highest paid in that classification.

Hansen was among the small group of employees who met with the Union at one of the preorganization meetings in November 1971 and he attended each of the open meetings conducted by the Union. In such meetings Hansen spoke of his support for the Union. Hansen signed a union authorization card in April 1972, and distributed union cards to some of his fellow employees, and talked about the Union with them. Hansen also was one of the employees who spoke up at the meetings conducted by Cartiglia in the fall of 1971 when Cartiglia asked employees to bring up any problems they had with the working conditions or Company policy. Hansen specifically mentioned the lack of a manual of rules from which employees could ascertain what was expected of them and discussed what he viewed as an inadequate pension plan.

Respondent asserts that Hansen was discharged for cause—namely, because he “lied to his office manager Belger, supervisors Kane and Hicks, employee Cramer and an independent fur investigator, Schachner, telling them that he ‘paid \$1,800’ for a lost or stolen fur coat or that the coat ‘cost \$1,800,’ for the purpose of inducing the Company to pay Hansen substantially more money on his fur claim than he actually paid for the coat. On this basis alone, Regional Claims Manager Cartiglia au-

thoritatively recommended dismissal and received authorization to terminate Hansen's employment with Respondent."

In August 1971, responding to an advertised half-price sale by S. Klein's Store in West Hemstead, New York, Hansen purchased a mink coat represented by Mac Miller, manager of the fur department, as a garment which had been specially designed and made from selected skins for the assistant manager who had since ordering it decided to retire and move to Florida. The coat was offered to Hansen, and purchased, for \$800 plus tax. Hansen charged a \$50 deposit, and paid cash for the balance when he picked up the coat for his wife on their 25th wedding anniversary. Miller gave Hansen an appraisal certificate dated September 7, stating the coat's replacement value was \$1,800. On September 14, Hansen returned the coat for pocket alteration and on the advice of Miller, arranged for a "floater" to his homeowner policy carried with Respondent to cover the coat. Supplying the appraisal certificate from S. Klein's, Hansen insured the coat for \$1,800, and paid the required additional premium. Several weeks later Miller informed Hansen the coat had been lost or stolen while being transported for adjustment. Miller suggested Hansen place a claim under his floater policy for reimbursement rather than against the carrier where recovery would take approximately a year. Although he expressed doubt that he would be able to duplicate the skins in the lost coat, Miller indicated his willingness to make the effort to replace the coat if this was Mrs. Hansen's desire.

Thus, on September 30, 1971, Hansen, as a policyholder of Allstate, verbally made a claim for recovery of the loss of the coat with Property Claims Examiner Cramer, located in the Baldwin office where he worked. At that time he advised Cramer he had recently taken out the supplemental policy in the amount of \$1,800, and if there was any trouble verifying his coverage by computer she could talk to O'Neil through whom he had secured the floater. Cramer testified she asked Hansen to bring his bill and he told her he did not have it. She asked for a

cancelled check and he told her he had paid cash. Cramer told Hansen she would turn the claim over to the fur investigator to establish the replacement value. Cramer called Schachner and supplied him with the name, the alleged value and the basic details. Another adjuster who had supplied Schachner's telephone number also spoke with him on the telephone as did Hansen. When Schachner's report was received, Cramer passed the file on to her supervisor, Kane, as the amount involved was above that which she could approve and, in any event, claims by an employee were required to go to Manager Belger for approval of payment. She did tell Hansen of Schachner's recommendation for payment of \$1,370. Cramer warned him this information should not be construed as an offer but added that since he did not have a receipt or bill this was probably the best the Company would do on his claim. Cramer testified that Hansen had given her the figure of \$1,800, as the value of the coat, and when she asked him what he paid for it he stated that it was insured for \$1,800. Cramer testified she had not seen Miller's appraisal certificate when the file was placed on Kane's desk, and no one asked her about her conversation with Hansen relevant to his claim until Belger advised her that Hansen had been removed from his job as a result of this claim file.

Schachner called Miller who stated that the appraised value of the Hansen coat was \$1,800. Miller refused to tell Schachner what the purchase price was because it was against store policy to make such disclosures. Miller testified he refused to replace the coat for the \$1,200 suggested by Schachner and indicated he believed the replacement value of the Hansen coat to be around \$1,500, the price Schachner reported Miller as stating.

On October 19, 1971, Kane took Hansen's claim to Belger pointing out what he believed to be an inadequacy in the file—specifically, the absence of a bill of sale or some other proof of ownership. With Kane and Hicks, the intermediate supervisor present, Belger called Hansen to his office, queried him about a bill of sale or cancelled check and, when Hansen indicated he

had neither and had paid cash, Belger asked, "Don't you have any kind of proof of ownership?" Hansen replied he had already told Cramer he no longer had the sales slip and could not get another. Belger then asked why Hansen had not proceeded against Klein's and Hansen told him it was because of the length of time which would be involved. When Hansen pointed out that Allstate was going to recover from Klein's and voiced his displeasure about the questioning, Belger indicated he was not trying to be difficult but merely trying to document the file, whereupon he offered Hansen, as settlement, the \$1,370, recommended by Schachner. Hansen accepted and signed a waiver of any claim against subrogation proceedings. Hicks testified that it was about a year later, after Hansen's discharge, that Belger next mentioned the Hansen claim.

On June 5, 1972 a release of claim against S. Klein's Department Store was executed by Allstate on the basis of a subrogation settlement of \$844.82, the amount Hansen had actually paid for the coat. Sometime in June the Hansen claim file was purportedly by the subrogation supervisor brought to the attention of Property Claims Director Minelli whose responsibility involves security, including defalcations. Minelli, immediately conferred with Cartiglia in the adjoining office with respect to it before even seeing the file. After he received the file, Minelli called Belger because the latter had approved the payment to Hansen, then again reported orally to Cartiglia informing him of the conversation with Belger. Cartiglia asked Minelli to document the case. Minelli obliged with a written report dated June 9. Admittedly Minelli did not make notes of any of the alleged phone calls or oral conversations and instituted no investigation, a departure from his usual practice of in depth and lengthy investigations where job related dishonesty is involved, sometimes requiring as long as 4 or 5 months. With respect to Hansen's claim, Minelli testified that it would not have mattered if Hansen had paid only \$40; if the coat was in fact worth \$1,370 in the replacement market that would be the amount of his

recovery. He also indicated that the Company almost always received evasive answers if it asked what an insured had paid for a lost item and that claimants come in with appraisals instead. Minelli asserted his belief there was information in the file that Hansen had purchased the coat on sale at a reduced price. Stating that inflated appraisals are "part of the business," and these occasionally are double the actual value, Minelli added he has never known of S. Klein's issuing such exaggerated appraisals. Although Minelli generally makes recommendations in cases of impropriety, he made no recommendation with respect to Hansen, but merely passed the file on to Cartiglia because Hansen was a long term employee and had made only this one claim.

Sometime in June 1972, Cartiglia spoke to Division Claims Manager Mannarino, who had originally hired Hansen and had been his manager for several years. This inquiry related to Hansen's reputation for honesty. Then in mid-July Cartiglia again mentioned Hansen and his fur coat claim, asking Mannarino to acquaint himself with the situation as Cartiglia might decide to terminate Hansen. Mannarino commenced his vacation July 16 and returned August 2, Belger then went on vacation and returned on August 17. At that time Mannarino spoke with Belger who stated he was told by Hansen the latter had paid \$1,800, for the coat, and that Hansen should be terminated. Mannarino reported this conversation to Cartiglia and concluded Hansen had lied and should be discharged.

Belger testified he received a phone call from Minelli in early June 1972, regarding the Hansen claim in which Minelli indicated dissatisfaction with the way the claim had been handled. Later that month he received a call from Cartiglia who told him Hansen's file, received from subrogation, showed Hansen had paid only \$840, for the coat. Cartiglia asked Belger what Hansen had told him in this respect and Belger advised that Hansen said he paid \$1,800. Catiglia then asked Belger to search his mind and to speak with whoever was involved and

report back. Belger consulted no one and when he called back some time later he learned Cartiglia had gone on vacation, so he just "tossed it" in his mind without speaking to anyone until July 19 when he received another call from Cartiglia. This time he asked to see the file and thereafter spoke to Kane, who recalled that Hansen had said he paid \$1,800 but had no receipt. After receiving a third call from Cartiglia on July 27, Belger gave his written recommendation that Hansen be discharged. In August, Belger had a conversation with Mannarino at which time he told his then new division manager that Hansen had said he paid \$1,800 for the coat.

On July 28, Cartiglia forwarded the written recommendations of Belger and Minelli which he had solicited along with his endorsement of their recommendation to Vice President Amis for approval of the proposed discharge action. On August 28, while Mannarino was in the Baldwin office, Cartiglia called and told Mannarino authorization had been received, and he should terminate Hansen. Hansen was summoned and accused of misrepresenting the price he paid for the fur coat. He denied he had ever said he paid \$1,800 insisting he had said it was worth that figure, but he was given the election of resigning or being terminated. Hansen refused to resign and requested an opportunity to discuss the matter with his wife. This was denied on the basis that it was too late, and he was terminated. Hansen protested his not being given a hearing and as a "matter of courtesy," with his wife, was granted an interview by Cartiglia who made it clear at the outset that his decision was irreversible.

Mannarino testified that in such situations he would ordinarily investigate thoroughly and analyze the facts including the length of service and past record of the employee but in this situation the matter was presented to him by his superior rather than by a subordinate and the only time Cartiglia told him to speak to Hansen was after the decision had been made by Cartiglia to discharge Hansen. Mannarino made no written record of any of the conversations except for the report of the discharge after

it had been accomplished. However, this also had been reported to Cartiglia by phone immediately after the event.

A substantial volume of testimony was presented relating to how values of furs are determined, marketing practices generally and in particular stores including S. Klein's, style changes in lengths by years and the nomenclature attached thereto, etc. Similarly, great detail was presented with respect to the various phases in the processing of a claim with emphasis upon the significance of the absence in the Hansen file of the original sales slip for the coat. There was also noticeable carelessness in the use of such phrases as fraud, etc. On the preponderance of credible testimony, the record establishes, and I find, that the price paid for an insured item is in no way determinative of the amount the insured is entitled to recover under a loss claim; nor does the amount an insurer is able to recover through subrogation affect the amount an insured is entitled to under his insurance policy. Instead, the amount recoverable for the lost item is based on current replacement value, less any depreciation. Thus, the purpose of a record of purchase such as a sales slip is to establish ownership of the item insured and to supply an accurate description useful in fixing the current replacement value. However, this is not the only source for such information. Thus, an official appraisal certificate rather than a purchase record is generally used as the basis for issuing the insurance rider covering a particular piece of personal property and to determine the amount of coverage allowed. Such certificate contains a description of the item appraised and insured. But Respondent's witnesses agree that appraisals are notoriously inflated, and the value stated thereon cannot be utilized in determining the replacement value which would be paid to an insured for a loss. It is inconceivable in such circumstances that anyone handling the claim could have understood or believed that Hansen was claiming he actually paid the amount carried on the certificate of appraisal which he submitted when he obtained the added coverage. Indeed, Belger indicated that he

never believed that Hansen had actually paid \$1,800, for the coat.

The insignificance of the price paid for an insured item is further demonstrated by the absence on Respondent's printed claims form of any question requiring disclosure of the purchase price, and the fact that no one, in the course of handling Hansen's claim, required him to state in writing the amount he had paid for the lost fur coat further diminishes this as a significant consideration. Moreover, although Hansen's work had primarily involved automobile accident casualties, it is clear he was fully aware of the considerations which entered into the valuation of a personal property loss, and despite the testimony to the contrary, I conclude that, as a knowledgeable claims adjuster, Hansen did not, in filing or pressing his claim as an insured party, speak of the coat in terms of what he had paid for it, but rather, as he testified, referred to its insured value or its replacement value.

If information as to the original cost of the insured item was in fact needed to establish a basis for payment of the claim, clearly several individuals including at least two supervisors were remiss in permitting settlement of Hansen's claim, yet no one was even investigated—much less reprimanded—for the purported overpayment which allegedly cost Hansen his job. The same applies to those who handled the subrogation phase of the loss, for Respondent failed even to investigate why settlement for the sale price paid by Hansen was accepted rather than requiring from S. Klein's the replacement value of the item lost through their agent, in view of the \$1,800 valuation certificate issued by Miller and Schachner's report that S. Klein's would replace the coat for \$1,500, an amount in excess of what had been paid Hansen on his claim. Further, if fraud was in fact suspected it is strange that no steps were taken to recover any part of the money paid Hansen, although that is the procedure where fraud is believed to exist, and Respondent would stand to gain

financially since by the terms of its policy Respondent is relieved of any liability whatsoever, in cases where fraud exists.

Considering all the evidence presented, I am convinced and find that Hansen was not, in fact, paid any amount in excess of the true replacement value of the coat which was lost. Clearly, no one including the fur investigator took into account that the coat purchased by Hansen was not an off-the-rack S. Klein's coat but was a special design custom item, the value of which was much higher than those used by Schachner to determine replacement value.

Finally, it is significant that Cartiglia, who alone made the discharge decision, subject only to approval by higher officials because of Hansen's long service with the Company, testified that he decided to discharge Hansen because he "felt that Mr. Hansen had lied to Mr. Belger and, therefore, was no longer to be considered a trusted employee"; not because he supposedly lied to anyone else, or because he attempted to collect more than he was entitled to as asserted by Respondent. Even in this posture, reason would suggest than an offense so grave as to completely strip an old and reliable employee of any further trust would also require a prompt investigation and speedy removal. This is especially so when the employee involved is one who had received steadily increasing authority to commit the company funds and who had never even been suspected of defalcations in any form although such were the temptations and hazards of his particular job. Instead, the matter was put aside, not only for other job commitments but also for consecutive vacations, without any attempt to remove the cloud or establish Hansen's guilt. Hansen was not even given an opportunity to deny that he told a falsehood. If the reason for such a casual regard for any possible dangerous effect of this alleged dishonesty on Hansen's job performance was due to the fact that the incident involved was not job related, it is difficult to accept the conclusion that the suspected conduct suddenly became so job related as to require his discharge.

In view of all the foregoing, I must conclude that the reasons advanced by Respondent for Hansen's discharge were pretextual.

There remains the question of whether, as contended by the General Counsel, this record established, that the real motive behind Hansen's discharge was retaliation for his union activity. Respondent's knowledge of the union activities of its employees is clearly established, not only by admissions of its various supervisors that they received and passed on to Cartiglia the literature sent out to the employees by the Union, but also by the fact that in its March 1972, letter Respondent announced that the Charging Party herein was the currently interested union even before the Union had dispatched its first general communication to employees. The unlawful interference and coercion by supervisors found above demonstrate Respondent's specific knowledge with respect to at least some of Hansen's union activity. And in light of the demonstrated effectiveness of Respondent's information network it may reasonably be inferred that Respondent also knew that Hansen had signed an authorization card for the Union and had distributed cards to other employees.

As the time of the settlement of the subrogation of his claim is not substantially remote from the time of the discharge decision it would not appear that Respondent resurrected the old insurance claim to rid itself of an active union adherent. However, this is not to say that it did not seize upon that claim as a pretext for accomplishing the same result. The delay in even investigating Hansen's conduct from early June when the union activity appeared to be persistent until mid-July when it was clear the Union had not held a meeting for that month is consistent with Fowler's statement that "as soon as the Union folds their tent everybody (who attends union meetings) is going to be fired." On the basis of the entire record, I find that Respondent discharged Hansen, not because of any conduct connected with his claim as an insured customer, but for engaging in union activity as an employee, and that Respondent thereby violated Section 8(a)(3) and (1) of the Act.

Upon the basis of the entire record, I make the following:

IV. Conclusions of Law

1. Respondent is engaged in commerce within the meaning of Section 2(2) and (6) of the Act.

2. The Union is a labor organization within the meaning of Section 2(5) of the Act.

3. By engaging in the conduct described in Section III above, Respondent interfered with, restrained and coerced its employees in the exercise of rights guaranteed them in Section 7 of the Act, and thereby has engaged in and is engaging in unfair labor practices within the meaning of Section 8(a)(1) of the Act.

4. By discharging Edgar Hansen for engaging in union activity, Respondent has discriminated against him with respect to terms and conditions of employment, thereby discouraging membership in the Union, and has engaged in and is engaging in unfair labor practices within the meaning of Section 8(a)(3) and (1) of the Act.

5. The aforesaid unfair labor practices are unfair labor practices affecting commerce within the meaning of Section 2(6) and (7) of the Act.

V. The Remedy

Having found that Respondent engaged in certain unfair labor practices, I will recommend that it cease and desist therefrom and take certain affirmative action designed to effectuate the policies of the Act. And, as the unfair labor practices committed by the Respondent are of a character striking at the root of employee rights safeguarded by the Act, I shall recommend that it cease and desist from in any other manner infringing upon rights guaranteed in Section 7 of the Act.

Having found that Respondent unlawfully discharged Edgar Hansen on August 28, 1972, I shall recommend that Respondent

offer him immediate and full reinstatement to his former position or, if such position no longer exists, to a substantially equivalent position without prejudice to any seniority or other rights and privileges, and make him whole for any loss of earnings suffered by reason of the discrimination against him, by payment to him of a sum of money equal to that which he normally would have earned, absent the unlawful discrimination, with backpay and interest computed under the established standards of the Board, in accordance with the formula set forth in *F. W. Woolworth Company*, 90 LRB 289, *Isis Plumbing & Heating Co.*, 138 NLRB 716. Further, it will be recommended that Respondent preserve and make available to the Board, upon request, all payroll records, social security payment records, timecards, personnel records and reports, and all other records necessary and useful to determine the amount of backpay due and the rights of reinstatement under the terms of these recommendations.

Upon the foregoing findings of fact, conclusions of law, and the entire record, and pursuant to Section 10(c) of the Act, I hereby issue the following recommended:⁶

ORDER

The Respondent, Allstate Insurance Company, its officers, agents, successors, and assigns, shall:

1. Cease and desist from:

(a) Coercively interrogating employees concerning their union activities and the union activities of other employees.

(b) Threatening employees with discharge or other reprisals if they join or assist Local 365, United Automobile, Aerospace

6. In the event no exceptions are filed as provided by Section 102.46 of the Rules and Regulations of the National Labor Relations Board, the findings, conclusions, and recommended Order herein shall, as provided in Section 102.48 of the Rules and Regulations, be adopted by the Board and become its findings, conclusions, and Order, and all objections thereto shall be deemed waived for all purposes.

and Agricultural Implement Workers of America, International Union or any other labor organization;

(c) Giving employees the impression that their union meetings and union activities are being kept under surveillance, or in any other manner interfering with, restraining employees in the exercise of their rights guaranteed them in Section 7 of the Act;

(d) Discharging employees or otherwise discriminating against them with regard to the tenure of their employment or any other term or condition of employment for engaging in concerted union activities for their mutual aid or protection.

2. Take the following affirmative action designed to effectuate the policies of the Act.

(a) Offer Edgar Hansen immediate and full reinstatement to his former position or, if such position no longer exists, to a substantially equivalent position, without prejudice to his seniority or other rights and privileges, and make him whole for any loss of earnings, in the manner set forth in "The Remedy."

(b) Preserve and, upon request, make available to the Board or its agents all payroll and other records, as set forth in "The Remedy."

(c) Post at its office and facilities in Long Island, New York copies of the notice attached hereto as "Appendix." Copies of such notice, on forms provided by the Regional Director for Region 29, after being signed by an authorized representative of Respondent, shall be posted by Respondent immediately upon receipt thereof, and be maintained by it for 60 consecutive days thereafter, in conspicuous places, including all places where notices to employees are customarily posted. Reasonable steps

7. In the event that the Board's Order is enforced by a Judgment of a United States Court of Appeals, the words in the notice reading "Posted By Order Of The National Labor Relations Board" shall be changed to read "Posted Pursuant To A Judgment Of The United States Court Of Appeals Enforcing An Order Of The National Labor Relations Board."

shall be taken by Respondent to insure that said notices are not altered, defaced, or covered by any other material.

(d) Notify the Regional Director for Region 29, in writing within 20 days from the date of this Order what steps the Respondent has taken to comply herewith.

Dated at Washington, D. C.

/s/ Jennie M. Sarrica
Jennie M. Sarrica
Administrative Law Judge

NOTICE TO EMPLOYEES

Posted By Order Of The
National Labor Relations Board

An Agency of the United States Government

AFTER A TRIAL IN WHICH ALL PARTIES HAD THE OPPORTUNITY TO PRESENT THEIR EVIDENCE, IT HAS BEEN DECIDED THAT WE VIOLATED THE LAW AND WE HAVE BEEN ORDERED TO POST THIS NOTICE. WE INTEND TO CARRY OUT THE ORDER OF THE BOARD AND ABIDE BY THE FOLLOWING:

WE WILL NOT coercively interrogate employees concerning their union activities and the union activities of other employees.

WE WILL NOT threaten employees with discharge or other reprisal if they join or assist Local 365, United Automobile, Aerospace and Agricultural Implement Workers of America, International Union or any other labor organization.

WE WILL NOT give employees the impression that their union meetings and union activities are being kept under surveillance, or in any other manner interfere with, restrain or coerce employees in the exercise of their protected rights.

WE WILL NOT discharge or otherwise discriminate against employees with regard to the tenure of their employment or any term or condition of employment for engaging in concerted union activities for their mutual aid or protection.

WE WILL offer Edgar Hansen immediate and full reinstatement to his former job or, if that job no longer exists, to a substantially equivalent position without prejudice to his seniority or other rights and privileges and make him whole

for any loss of earnings as provided in the Board's Decision and Order.

All employees are free to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection. Our employees are also free to refrain from any or all such activities.

Allstate Insurance Company
(Employer)

Dated By
(Representative) (Title)

THIS IS AN OFFICIAL NOTICE AND MUST
NOT BE DEFACED BY ANYONE

This notice must remain posted for 60 consecutive days from the date of posting and must not be altered, defaced, or covered by any other material. Any questions concerning this notice or compliance with its provisions may be directed to the Board's Office, 16 Court Street—4th Floor, Brooklyn, New York 11241, Telephone (212) 596-3535.

UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATION BOARD
* * (Caption—No. 29-CA-3099) * *

RESPONDENT'S EXCEPTIONS TO THE
ADMINISTRATIVE LAW JUDGE'S
DECISION

It is not unusual for a party against whom an adverse Administrative Law Judge's decision has issued to denounce it. Oftentimes, excoriation is deserved; at other times it is overdone or without merit. We respectfully submit that this case is one of the few which unequivocally falls into the first category. Not only has the Administrative Law Judge made findings of fact and law, which are wholly improper and seem arbitrary and capricious, but even more critically, her Decision fails to comport with the most basic requirements of acceptable decision writing. The Respondent is, therefore, compelled to except to the following portions of the Decision of Jennie M. Sarrica, Administrative Law Judge, filed on July 3, 1973, her findings of fact and conclusions of law, and to other parts of the record and proceedings referred to:¹

1. The Administrative Law Judge's erroneous finding and

1. Because of the abject failure of the Administrative Law Judge herein to comply with the Administrative standards of acceptable decision writing imposed upon her by the Administrative Procedures Act, 5 USC § 557, for example, by failing to make express findings of credibility in various instances of material conflicting testimony and neglecting to make acceptable resolutions as to credibility throughout her decision, and further, by reason of her clearly erroneous findings, for example, her misplacing the burden of proof throughout upon the Respondent in direct contradiction to the Supreme Court's pronouncement in *Universal Camera Corp. v. NLRB*, 340 U. S. 474 (1951), we urgently request that oral argument on these exceptions to the Administrative Law Judge's decision be granted pursuant to the Board's Rules and Regulations, § 102.46(i).

conclusion (at ALJD 13, L. 34-48) that Hansen was fired "for engaging in union activities" because the Company wanted "to rid itself of an active union adherent" in view of the overwhelming weight of the evidence to the contrary, palpably ignored by the Judge.

Indeed, Hansen's own affidavit given to the Board contained Hansen's statement admitting that he "played no leadership role now was . . . a particular advocate for or against the Union." Moreover, Hansen, *unlike other employees*, was not known by Respondent to be either a Union leader or Union activist; Hansen only attended 2 of 4 Union meetings and, according to General Counsel witness Quinn, staff representative of the UAW, Hansen spoke out no more than any other employee.

Furthermore, the Union never did file a petition nor make a demand upon Respondent for recognition. Union organizing activity peaked in 1971 and was winding down markedly by the summer of 1972 when Hansen was discharged. Therefore, it would seem to have been pointless for the Respondent to discharge Hansen for Union-related considerations.

2. The Administrative Law Judge's completely erroneous crediting of General Counsel witness Edgar Hansen, who proved himself, throughout the hearing, and was demonstrated to be incredible, inconsistent, a fantasizer of fact, and of generally suspect veracity compared to Respondent's witnesses Fowler, Deaner, Hicks, Lostella, Mannarino, Cramer, Schachner, Kane, Belger, Minelli and Cartiglia, whom the Administrative Law Judge nowhere in her decision specifically disagreed that they testified forthrightly, were mutually corroborative and demonstrated their candor at the hearing *and, whose testimony the ALJ gave no reason for not crediting fully.*² Plainly, the pre-

2. In *M & S Company, Inc.*, 108 NLRB 1193, the use of generalized blanket findings relating to credibility was condemned as a *bad practice* by Administrative Law Judges inasmuch as the Board must normally place heavy reliance on their evaluation of the truth or falsity of testimony. The Board

ponderance of the evidence is contrary to the Judge's findings.

3. The Administrative Law Judge's, *utter, complete, and abject failure to explain any of her credibility resolutions*,³ the recital throughout her decisions of only selected evidence on critical issues and concomitant disregard of whole bodies of evidence tending to undermine such selected evidence and other evidence directly contrary thereto calculated merely to support her own private theory of the case; and her misplacement of the burden of proof—the burden of establishing—in respect to all critical issues—upon the Repondent instead of upon the General Counsel.

4. At ALJD 5, L. 4-5:⁴ the Administrative Law Judge wholly fails to explain why she “do[es] not credit Fowler's denial” that he made a statement attributed to him by General Counsel witness, Hansen, concerning an alleged conversation between Hansen and Fowler about who attends union meetings; rather she chooses to adopt, without any explanation therefor, Hansen's bald, unsupported and uncorroborated testimony that Fowler warned and threatened Hansen about going to Union meetings.

5. At ALJD 5, L. 14-16: the Administrative Law Judge similarly fails to give *any reason* why she “do[es] not credit Hicks' denial” regarding alleged conversations between Hicks and Hansen described solely by Hansen. Yet, there is no reason stated in the Decision why one should disbelieve Hicks or credit Hansen over Hicks.

further commented that as the resolution of credibility conflicts often determines the final outcome of the issues before the Board, it expects an Administrative Law Judge to indicate carefully and specifically how she arrived at her credibility conclusions—and that her failure to do so may well constitute sufficient basis for *rejecting her conclusions as to credibility and her findings on the issues in the case*.

3. *Id.*

4. Administrative Law Judge Decision page 5, Lines 4-5 hereinafter referred to as “ALJD _____, L. _____.”

6. At ALJD 5, L. 46-47: the Administrative Law Judge concludes, without elucidation, that "the evidence establishes" other similar conversations took place between Hicks and Hansen; no basis is given for her discrediting Hick's denial that any such conversation took place; in fact, Hansen's uncorroborated testimony that such other conversations took place is undermined by Hansen's own conflicting testimony that he never went to earlier union meetings, the predicate for these later conversations!

7. At ALJD 5, L. 41-43: the identical failure to explain why the Administrative Law Judge "credit[s] Hansen" and discredits Fowler, who is steadfastly corroborated by Lostella, concerning an alleged unlawful interrogation, attributed solely by Hansen to Fowler, as to Hansen's attendance at a union meeting.

8. At ALJD 6, L. 20-21: the repeated failure of the Administrative Law Judge to give reason for her crediting Hansen over Deaner as to the contents of a telephone conversation between them; this is critically exacerbated by the fact that Hansen's own sworn affidavit given to the NLRB tends to support Deaner's version and belies and undermines Hansen's own testimony recited at the hearing.

9. At ALJD 6, L. 41-47: the crediting of Hansen's testimony over that of General Counsel's own witness, Quinn, regarding a conflict between their testimony in respect to Hansen's attendance at union pre-organizing meetings in November, 1971, and "each of the open meetings conducted by the Union" in 1972; this is especially odious in view of Hansen's belated admission that he went to neither the April nor August, 1972 meetings.

10. At ALJD 7, L. 45 to ALJD 8, L. 8 and L. 18-20: the crediting of Hansen over Respondent's witness Caren Cramer without any explanation whatsoever as to the critical inquires of whether or not Hansen told Cramer how much he actually

paid for a fur coat (how much the coat cost), and the length of the lost garment.

11. At ALJD 8, L. 7-10: the failure of the Administrative Law Judge, to state her reasons for not crediting Respondent's witness Schachner concerning statements regarding the price and description of the coat, made by Hansen to Schachner over the telephone and, which were contained in Schachner's report and corroborated by testimony of Caren Cramer, Belger, Kane and Hicks that Hansen had told them the same thing.

12. At ALJD 8, L. 39 to ALJD 9, L. 3: the crediting of Hansen over Respondent's witness Belger without *any* stated reason (and the implicit discrediting of Respondent's witnesses Kane and Hicks whose entire testimonies were omitted from the ALJ's decision and were not even considered therein[]) concerning the context of the settlement meeting in October, 1971, between Hansen, Belger, Kane and Hicks and the critical statements made by Hansen therein, regarding the cost, description and other material facts concerning his fur coat loss and claim.

13. At ALJD 10, L. 26-38: the crediting of Hansen over Respondent's witnesses Mannarino, Belger and Deaner, who testified harmoniously as to Hansen's oral representations, without giving any explanation therefor, concerning the discussion among all four men at the termination meeting; indeed, the Law Judge fails to even distinguish between Hansen's own conflicting versions (direct examination, cross-examination and his affidavit given to the Board) of this conversation and to make proper findings therefrom or credibility explanations in reference thereto.

14. At ALJD 11, L. 34-40: the discrediting of Respondent's witnesses Belger, Kane, Hicks, Schachner and Cramer, without giving any reasons, concerning their understanding or belief that Hansen paid \$1,800 for the coat based on Hansen's oral misrepresentations, despite the clear, repeated and convincing testimony by Respondent's witnesses that that is precisely what Hansen had told them and what they understood to be the truth.

15. At ALJD 12, L. 4-9: the crediting, without any rational or even intelligible explanation, of Hansen over Cramer, Schachner, Kane, Hicks and Belger as to Hansen's ever "speak[ing] of the coat in terms of what he had paid for it." Nowhere does the Law Judge explain her expression of purely subjective reasons for disbelieving *all* of Respondent's witnesses who each testified that Hansen spoke in terms of price or cost.

16. At ALJD 12, L. 37-44: the off-handed discrediting of Respondent's witness Cartiglia as to his reasons for discharging Hansen, and the Administrative Law Judge's refusal, without explication, to consider or even mention the great body of evidence forming the basis for Hansen's termination and tending to corroborate Cartiglia's testimony in every material respect.

17. At ALJD 12, L. 44 to ALJD 13, L. 5: the discrediting of Respondent's witnesses Minelli, Cartiglia, Mannarino and Belger, without any stated basis, concerning the reason for the timing of each of their participations in the investigation and for the removal of employee Hansen. The Law Judge either palpably disregarded or simply chose arbitrarily not to deal with and resolve the voluminous supportive testimony on this critical point which documents the reasons for the lengthy investigation.

18. At ALJD 13, L. 5-6: no reason is stated for the crediting of Hansen and discrediting of Cartiglia, Mannarino, Belger and Deaner, concerning Hansen's opportunity to be heard regarding his own statements made with respect to the claim; portions of the record, in fact, which the ALJ chose not to mention or deal with clearly demonstrate under the circumstances present herein that Hansen was afforded the kind of opportunity, normally given to employees in his situation, to be heard, and undermines Hansen's testimony in this regard.

19. At ALJD 13, L. 25-28: the crediting of Hansen over Fowler, Lostella, Hicks, Deaner, Belger and Cartiglia, without elucidation, that Respondent had knowledge of "at least some of Hansen's union activity" is simply unsupported by the record

herein. Moreover, the Law Judge does not adequately come to grips with this critical issue of "knowledge" by reciting the underlying facts which support her conclusion, or that Hansen was significantly engaged in union activity or the extent of Respondent's knowledge thereof, if any.

20. At ALJD 13, L. 28-32: the failure to state why the Administrative Law Judge credits Hansen over, among others, Cartiglia, concerning Respondent's knowledge of Hansen's signed authorization card and Hansen's purported distribution of cards to other employees, despite the fact that *not one witness, including Hansen*, testified that Respondent "saw" or "knew" Hansen signed a union card or distributed cards to others.

21. The Administrative Law Judge's utter failure to explain how the facts found at the hearing support any of the credibility resolutions or any of the findings of unfair labor practices, made in her decision, all in direct violation of her duty as a Judge under the Administrative Procedures Act, 5 U. S. C. § 557(c) (3)(A), which alone demands a reversal of her decision.

22. The Administrative Law Judge consistently, throughout her decision, misplaced the burden of proof with respect to the alleged (8)(1) and 8(a)(3) violations which properly rests upon the General Counsel; instead, the Administrative Law Judge has placed on the shoulders of the Company the burden of establishing the real reason for Hansen's termination, contrary to the Act (§ 10(c)), Board and Court precedent. See e.g. *N. L. R. B. v. McGahey*, 233 F. 2d 406, 412-413 (5th Cir. 1956).

23. The Administrative Law Judge's constant and repetitive reliance upon evidence outside the 10(b) limitations period for *more* than mere background purposes and, in fact, to sustain findings of violations of §§ 8(a)(1) and 8(a)(3) herein, without which they could not stand; this alone constitutes reversible error and is clearly proscribed by § 10(b) of the Act (see *Local*

Lodge No. 1424, IAM (Bryant Mfg. Co.) v. N. L. R. B., 362 U. S. 411, 416-417 (1960)).⁵

24. At ALJD 5, L. 4-8: the finding that the Company, through its supervisor, Eddie Fowler, "engaged in unlawful interference, restraint and coercion by giving the impression of surveillance, warning against supporting the Union and threatening retaliation by discharge of employees who engage in union activity" alleged in the Complaint, as amended; this is neither supported by a preponderance of the evidence nor has the General Counsel sustained its burden of proof with respect to the allegations contained in the Complaint.

25. At ALJD 5, L. 17-21: the finding that the Respondent, through its supervisor, Richard Hicks, "engaged in unlawful interrogation [and] . . . conveyed the impression [of] . . . surveillance" is neither supported by the preponderance of the evidence herein nor proven by the General Counsel.

26. At ALJD 5, L. 41-43: the finding that the Respondent, through supervisor Fowler, engaged in "unlawful interrogation" of Hansen is neither sustained by the preponderance of the evidence herein nor proven by the General Counsel as required by the Act.

27. At ALJD 5, L. 46-47: the erroneous and unsupported finding that "evidence establishes" supervisor Hicks interrogated Hansen in May, 1972.

28. At ALJD 5, L. 46-52: the finding that pre-10(b) evidence demonstrates "Respondent's opposition to unionization" is clearly unsupported by the entire record and used by the Law Judge for unlawful purposes, to sustain otherwise impotent allegations of 8(a)(1) and (3).

29. At ALJD 6, L. 20-25: the erroneous and unsupported finding that the Respondent, through Supervisor Deaner, un-

5. For example, at ALJD 5, L. 46-52: the finding that an alleged pre 10(b) conversation between Hicks and Hansen (which, in actuality never occurred!) conclusively "establishes" the fact of "Respondent's opposition to unionization", is used to bootstrap unsustainable allegations of 8(a)(1) and (a)(3).

lawfully "attempted to require employees to report on union meetings and activities . . . interrogated . . . and threatened" Hansen, as alleged in the Complaint, as amended.

30. At ALJD 6, L. 41-43: the Administrative Law Judge's erroneous findings that Hansen, as part of a "small group of employees," attended a union preorganizing meeting in November, 1971, and, "each of the open [union] meetings"; the great weight of the evidence patently disregarded by the Administrative Law Judge, including Hansen's own testimony, Hansen's contradictory sworn affidavit given to the Board and the testimony of another General Counsel witness, Quinn, belies other Hansen testimony that he ever went to a Union meeting in November, 1971 or in April, 1972, or in August, 1972 when "open meetings" were, in fact, held!

31. At ALJD 6, L. 43-44: the finding that Hansen, at such meetings, "spoke of his support for the Union" inferring overt and substantial union participation by Hansen; this is in material conflict with General Counsel's own witness, Quinn, that at these meetings Hansen spoke out no more than any other employee and, Hansen's own sworn statement given to the NLRB, that he "played no leadership role nor was . . . a particular advocate for or against the Union."

32. At ALJD 8, L. 18-20: the Administrative Law Judge's finding that Edgar Hansen should be credited rather than Caren Cramer with respect to a conversation between Hansen and Cramer, despite Hansen's poor memory of the substance of their conversation beyond that he gave her the "details" of his fur loss; in view of Cramer's unequivocal testimony that Hansen affirmatively represented in his conversations with her the critical elements of cost and length of the coat.

33. At ALJD 8, L. 27-33: the Administrative Law Judge's finding that Miller should be credited rather than Arthur Schachner with respect to a conversation between Miller and Schachner, in view of Miller's almost total inability to recollect significant and critical elements, including style, length, and

price of the garment and notwithstanding her failure to give any intelligible reason for disbelieving Schachner and her wholly unwarranted stated assumption that Miller was a neutral, objective witness.

34. At ALJD 8, L. 35 to ALJD 9, L. 3: the Administrative Law Judge's finding that Hansen should be credited rather than Belger, Kane and Hicks with respect to a meeting and conversation between all four parties, though Hansen's description of the meeting was on its face patently incredible in that it was woefully incomplete, did not include Kane and Hicks as participants, and glossed over critical elements such as the price of the coat.

35. At ALJD 9, L. 19-23: the Administrative Law Judge's finding and conclusion that Property Claims Director Dominic Minnelli's handling of the Hansen claim constituted a "departure from his usual practice . . .", was totally unsupported by the record evidence herein and contradicted by Minnelli's forthright testimony that a lost fur coat could not be reinvestigated for damage, unlike the usual automobile claim.

36. At ALJD 9, 30-31: the Administrative Law Judge's finding that Minnelli believed Hansen purchased the fur coat at a "reduced price" despite the substantial evidence to the contrary.

37. At ALJD 9, 35-38: the Administrative Law Judge's finding that Minnelli "made no recommendation with respect to Hansen . . .", which on its face is absurd in view of Minnelli's own memorandum (Respondent's Exhibit 5).

38. At ALJD 10, 29-38: the Administrative Law Judge's unexplained finding that Hansen should be credited rather than Mannarino, Belger and Deaner, who corroborated one another as to the substance of the conversation at the termination meeting between all four men, and, in view of Hansen's conflicting versions of this meeting both in his entire testimony and as between his testimony and his sworn statement to the NLRB.

39. At ALJD 10, L. 33-34: the Administrative Law Judge's unexplained finding and conclusion that Hansen "denied he had ever said he paid \$1800 [for the coat] insisting he had said it was worth that figure"; this, despite the wealth of directly contradictory evidence including, testimony by Belger, Kane, Hicks, Cramer and Schachner contradicting this finding.

40. At ALJD 10, L. 43 to ALJD 11, L. 3: the Administrative Law Judge's unexplained finding that Mannarino did not investigate the matter thoroughly because it was "presented to him by his superior rather than by a subordinate . . ." which is unsupported by the record and is materially contradicted by the evidence that Mannarino was new to the job of Division Claim Manager (with authority over Hansen) and, as such, was busily engaged in visiting all of the offices in his division.

41. At ALJD 11, L. 17-21: the Administrative Law Judge's finding and conclusion that the actual "price paid . . . is in no way determinative" of dollar amount recovery on a loss which is directly at odds with the testimony of expert fur investigator Schachner, as corroborated by Belger, Kane and Cartiglia, none of which the Administrative Law Judge even gives a reason for discrediting, let alone stating a rational basis therefor.

42. At ALJD 11, L. 21-23: the Administrative Law Judge's finding and conclusion that recovery for lost items is based only on "current replacement value less any depreciation," disregarding the substantial testimony of expert fur investigator Schachner, Belger, Kane and Cartiglia that cost of a fur coat is, at least in part, determinative or replacement value, without her stating any reason, let alone any rational reason therefor.

43. At ALJD 11, L. 23-26: the Administrative Law Judge's findings and conclusions with respect to the purpose of a sales slip for determining dollar recoveries on insurance losses which distorts material testimony in respect to the true meaning and value of a receipt in insurance recovery cases and, the material significance accorded to receipts by the Respondent.

44. At ALJD 11, L. 34-30: the Administrative Law Judge's findings and conclusion with respect to what Respondent's witnesses Cartiglia, Mannarino, Belger, Kane, Hicks, Cramer, Schachner, and Deaner "understood or believed" Hansen claimed he had paid for the coat, which is critically exacerbated by her disregarding and failing to mention substantial testimony by Respondent's witnesses on this crucial point.

45. At ALJD 11, L. 42-47: the Administrative Law Judge's findings and conclusions with respect to "insignificance" of actual price in handling insurance claims, which demonstrates just how she unconscionably and improperly shifts the burden of proof of the 8(a)(3) elements of the Complaint from the General Counsel to the Respondent—eliminating Respondent's reasons for termination thus concluding that "nought remains but anti-union purpose." *NLRB v. McGahey, supra*.

46. At ALJD 12, L. 1-8: the Administrative Law Judge's findings and conclusion that "despite the testimony to the contrary", Hansen never represented to anyone what he paid for the coat, but rather always "referred to its insured . . . [or] replacement value"; the Law Judge fails to adequately explain *what* contrary testimony she chooses not to believe and, *why* she credits Hansen over others as to critical statements of "price" or "cost" of the coat, notwithstanding the voluminous testimony, credible on its face, flatly contradicting the palpably incredible Mr. Hansen.

47. At ALJD 12, L. 10-27: the Administrative Law Judge's findings and conclusions with respect to Respondent's nonfeasance in investigating the claim, once again, show-cases how she has consistently misplaced the burden of proof—requiring the Company to prove that its actions were taken for non-union reasons.

48. At ALJD 12, L. 10-27: the Administrative Law Judge's findings and conclusions referred to in Exception 46 above, demonstrate her irregular and prejudicial position taken throughout the Decision in misplacing the burden of proof upon the

Company, i.e., that the Company was "remiss" in its investigation; supervisors were not "reprimanded" for the "purported overpayment"; and "it is strange" that recovery of excess funds was not attempted from Hansen.

49. At ALJD 12, L. 29-35: the Administrative Law Judge's findings and conclusions that Hansen received a fair settlement on his claim; as in Exception 47 above, the Administrative Law Judge again has entirely misplaced and transferred the burden of proof of the elements of § 8(a)(3) from the General Counsel to the Respondent, by inferring from the fragments of evidence she selected and mentioned that the Respondent's reasons for terminating Hansen were bad because, *in her opinion*, Hansen received a fair settlement. This is highly improper!

50. At ALJD 12, L. 37-44: the Administrative Law Judge, similarly, thereby improperly places the burden of proof upon the Respondent to demonstrate the reasonableness of its decision to terminate Hansen.

51. At ALJD 12, L. 44 to ALJD 13, L. 5: the Administrative Law Judge compounds her erroneous evaluation of the evidence and the burden required of the General Counsel to prove each element of the Complaint, by stating "reason would suggest" Respondent would have undertaken a different course of action with respect to investigation and removal of Hansen if Hansen's deceit were the real reason for discharge: as in *McGahey*, the Law Judge thereby lays the predicate for her fatal final misstep in concluding on the basis of such erroneous evaluations of evidence and misconceptions of burden of proof, that Hansen must have been and, *ergo*, was fired for his union activities.

52. At ALJD 13, L. 7-11: the Administrative Law Judge's finding and conclusion that Respondent's reason for discharge was not job related. She fails to take into account whole portions of testimony from Cartiglia, Belger, Mannarino and Minnelli establishing that the dishonest manner in which Hansen handled his own claim was clearly indicative that he could no longer be trusted in his job.

53. At ALJD 13, L. 13-14: the Administrative Law Judge's finding and conclusion that Respondent's reason for terminating employee Hansen were pretextual which, from a proper evaluation of the entire record and other evidence, including the great weight of the evidence disregarded and not mentioned in her Decision, demands an opposite conclusion.

54. At ALJD 13, L. 19-25: the Administrative Law Judge's findings and conclusions with respect to Respondent's knowledge of employee union activities, based wholly upon improper inference and innuendo not fairly drawn from the entire record.

55. At ALJD 13, L. 25-32: the Administrative Law Judge's finding and conclusion that its unlawful activity, as described in Exceptions 3, 4, 5, 6 and 7 above, which rests solely upon the word of Hansen, whose credibility on most material issues was severely shattered at the hearing, demonstrate Respondent's knowledge of Hansen's Union activity. The evidence shows that Hansen's union activities were, in fact, minimal, no different than those of many other employees in the unit, and unknown to Respondent except for his receiving notices of union meetings and telling about it which probably wasn't union activity in the sense that that term ordinarily is used to convey notice to a Respondent in 8(a)(3) proceedings.

56. At ALJD 13, L. 37-39: the Administrative Law Judge's erroneous and not established finding and conclusion that Respondent "seized[d] upon [the] claim as a pretext" for discharge, neither proven by the General Counsel nor substantiated by the evidence herein. *Universal Camera, supra*, and numerous other decisions.

57. At ALJD 13, L. 39-44: the Administrative Law Judge's finding with respect to "delay" in investigating Hansen's conduct, without taking into account whole portions of relevant and material testimony from Minnelli, Belger, Cartiglia and Mannarino that "fairly detracts from" the weight of that finding. *Universal Camera supra*, and numerous other decisions.

58. At ALJD 13, L. 44-48: the Administrative Law Judge's erroneous finding and conclusion that Edgar Hansen was termi-

nated for his union activities in violation of Section 8(a)(3) and (1) of the Act, which does not meet the substantial evidence test of *Universal Camera, supra*, and numerous other decisions.

59. At ALJD 14, L. 11-15: the Administrative Law Judge's erroneous findings and conclusions that by engaging in the conduct and activity testified to only by Hansen, whose conflicting contradictory and demonstrated-to-be unreliable testimony was fully and clearly rebutted and undermined by Respondent's evidence described in Exceptions 3-7, and 23-28 above, Respondent violated Section 8(a)(1) of the Act.

60. At ALJD 14, L. 17-21: the Administrative Law Judge's erroneous findings and conclusions that by engaging in the conduct and activity described in Exceptions 50-53 above, Respondent violated Section 8(a)(3) and (1) of the Act, as being contrary to the manifest weight of the evidence on the record considered as a whole.

61. At ALJD 14, L. 23-25: the Administrative Law Judge's erroneous findings and conclusions that the aforesaid violations described above, are unfair labor practices within the meaning of Sections 2(6) and (7) of the Act.

62. At ALJD 14, L. 27 to ALJD 16, L. 24: the erroneous findings, conclusions of law, proposed remedies and recommended order of the Administrative Law Judge which, as discussed above, have no support in either law or fact.

63. The Administrative Law Judge's unsupportable and improper ruling, without any stated basis therefor, in rejecting material testimony and an offer of proof (Transcript page 843, lines 1-20) of highly probative evidence on a crucial element of the 8(a)(1) and (3) allegations that, to the best of Cartiglia's knowledge since he first learned of the Union campaign, no employee of Alistate had been retaliated against, disadvantaged or, in any other way discriminated against for their Union activity, membership in, connection with or sympathy for the Charging Party or any other Union or labor organization. The

unwarranted exclusion of this evidence further demonstrates that the Law Judge's findings and conclusions, as noted above, as to Respondent's "opposition" to the Union and its "unlawful interference and coercion [of employees] by supervisors" are simply unfounded, based on bits and pieces of meaningless evidence extracted arbitrarily from whole bodies of probative facts tending to contradict all of her material findings and conclusions, which she either excluded or disregarded and which were not mentioned in her decision.

On the basis of the record herein, the Administrative Law Judge should have dismissed the Complaint in its entirety.

Respectfully submitted,

Allstate Insurance Company

By: Philip C. Lederer

K. Bruce Stickler

Lederer, Fox and Grove

111 West Washington Street

Chicago, Illinois 60602

Attorneys for Respondent

Dated: August 15, 1973

UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD

<p>Allstate Insurance Company</p> <p style="text-align: center;">and</p> <p>Local 365, United Automobile, Aero- space and Agricultural Implement Workers of America, International Union</p>	<p style="font-size: 4em;">}</p>	<p>Case 29-CA-3099</p>
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DECISION AND ORDER

On July 3, 1973, Administrative Law Judge Jennie M. Sarrica issued the attached Decision in this proceeding. Thereafter, the Respondent filed exceptions, a brief, and a letter modifying the brief; the General Counsel filed exceptions and a brief; the Charging Party filed exceptions and a statement in lieu of a brief; and the Respondent filed a brief in answer to the General Counsel's exceptions.

Pursuant to the provisions of Section 3(b) of the National Labor Relations Act, as amended, the National Labor Relations Board has delegated its authority in this proceeding to a three-member panel.

The Board has considered the record and the attached Decision in light of the exceptions and briefs and has decided to affirm the rulings, findings, and conclusions of the Administrative Law Judge only to the extent consistent herewith.¹

1. We find without merit Respondent's allegations of bias, prejudice, and incompetency on the part of the Administrative Law Judge. We have fully considered the entire record and the Administrative Law Judge's Decision, and perceive no basis for finding that she prejudged this case, made prejudicial rulings, or demonstrated either bias or incompetency in her analysis or discussion of the evidence. Accordingly, we reject these contentions.

Employee Edgar Hansen worked as a claims adjuster for Respondent for almost 12 years until his discharge on August 28, 1972. The Union began its organizational campaign in the fall of 1971. At this time the Respondent held meetings with employees to hear complaints about working conditions or company policy. Hansen spoke up regarding the lack of a manual of rules and what he viewed as an inadequate pension plan.

Hansen signed an authorization card in April 1972, and attended three or four meetings in May, June, and August 1972. The Respondent learned of Hansen's attendance at the union meetings.

1. According to Hansen's testimony, during the 3 months prior to his discharge, supervisors made several statements which amounted to coercive interrogations regarding union activities, threats of discharge, or other reprisals for joining or assisting the Union, and creating an impression that union meetings and activities were kept under surveillance. The Administrative Law Judge credited this testimony of Hansen over the denials of the supervisors allegedly involved, and, based on such testimony, she found that the Respondent violated Section 8(a)(1) of the Act. We attach great weight to the credibility findings of the Administrative Law Judge who had the opportunity to observe and judge the witnesses as they testified, and, unlike our dissenting colleague, would not reverse her credibility resolution as to these matters.

2. We do not agree, however, with the Administrative Law Judge's findings that the discharge of Hansen violated Section 8(a)(1) and (3) of the Act.

In August 1971, Hansen bought a mink coat on sale for \$844.82. The coat had been custom made, but the customer for whom it was intended had ultimately refused to purchase it.

The Respondent has requested oral argument. This request is hereby denied because the record, the exceptions, and the briefs adequately present the issues and the positions of the parties.

The seller gave Hansen an appraisal certificate stating the coat's replacement value was \$1,800. The record shows that appraisals of this kind are frequently inflated. In September 1971, Hansen arranged a floater to his homeowner insurance policy with the Respondent and insured the coat for \$1,800. Several weeks later the coat was lost or stolen while in the possession of a carrier hired by the seller in connection with some repair work ordered by Hansen. The seller advised Hansen to place a claim under his insurance policy rather than against the carrier because recovery against the carrier would take approximately a year.

Hansen accordingly made a claim against the Respondent on September 30, 1971. When asked to produce the bill, he replied he did not have it. When asked for a canceled check, he said he paid cash. When asked how much he paid, five employer witnesses agreed that he replied he had paid \$1,800; Hansen testified he never said he paid \$1,800, he only said that it was worth \$1,800. This testimonial conflict is discussed in detail *infra*. The seller refused to disclose the purchase price to Respondent.

Based on Hansen's description of the coat as a long or full-length coat, an investigator determined for the Respondent that the replacement value of the coat was \$1,370. This figure represents the replacement value of a long coat. However, it is clear that the coat was a less valuable short coat. The issue regarding the length of the coat is discussed in detail *infra*.

Hansen accepted \$1,370 on his claim on October 19, 1971.

On June 5, 1972, the Respondent recovered only \$844.82 in subrogation proceedings against the seller. At this time the Respondent discovered for the first time that Hansen had actually paid only \$844.82 for the coat, \$500 less than the Respondent had paid him for the loss of the same coat based on his representation of its worth. At the same time, the Respondent discovered that the coat was only a short coat and therefore clearly worth less than \$1,370.

Hansen's claim file was then investigated by a series of officials and, on August 28, after finding the claim to have been misrepresented, Zone Vice President Patterson gave approval for Hansen's discharge. He was discharged by Division Manager Mannarino on the ground of misrepresenting the price he had paid for the coat. Regional Claims Manager Cartiglia explained at the hearing that the discharge was because "Hansen had lied" regarding the purchase price for the coat and "therefore, was no longer to be considered a trusted employee."

The Administrative Law Judge, however, found that the discharge was actually for Hansen's union activities, and in violation of Section 8(a)(1) and (3) of the Act.

The Administrative Law Judge found that Cramer, the Respondent's initial claim investigator, said that Hansen had given her the figure of \$1,800 as the value of the coat, and when she asked him what he paid for it, he stated only that it was insured for \$1,800. However, it is significant to note other important portions of Cramer's testimony not reflected in the Administrative Law Judge's Decision. Cramer also testified that she again asked how much he paid for the coat, and he replied that he paid \$1,800. She further testified that, when District Claims Manager Belger later told her Hansen was fired because of the claim, she again said that Hansen had told her that the coat cost him \$1,800. Cramer's testimony thus is either inaccurately summarized in the Administrative Law Judge's Decision or she failed to consider this additional record evidence. In either case, serious doubt is cast on the reliability of her conclusion that "Hansen did not, in filing or pressing his claim . . . speak . . . in terms of what he paid" for the coat. This doubt is reinforced by her further failure to note and discuss the unequivocal testimony of Investigator Schachner that Hansen said that he paid \$1,800 for the coat. Hansen never denied this statement. He did testify that he told Schachner the coat was worth \$1,800, but this is not inconsistent with also having told Schachner that he paid \$1,800.

The Administrative Law Judge also failed to give full consideration to the evidence regarding Hansen's statement at the October 19, 1971, meeting where the Respondent offered, and Hansen accepted, \$1,370 on the claim. The conversation occurred largely between Belger and Hansen, and concerned problems such as the absence of any receipt for the purchase of the coat and Hansen's claim that he paid \$1,800 for the coat while the most expensive coat on the rack at the store where he purchased it cost only \$1,370. Belger testified that Hansen said he paid \$1,800 for the coat. Supervisor Kane, who was also at the meeting, agreed that Hansen said that he paid \$1,800 in cash. Supervisor Hicks, who also was at the meeting, agreed that Hansen said that he paid \$1,800 for the coat. While at one point he denied that he told Belger what he paid for the coat, and insisted he referred only to the replacement value of the coat, nevertheless his own affidavit, made under oath to a Board agent during the investigation of this charge, states: "Don [Belger] asked me what the value or price on the coat and I told him \$1,800." At the hearing, Hansen testified that his answer meant the replacement value was \$1,800. But testimony as to subjective intent is of dubious value. And, at another point, Hansen testified that he could not recall if he answered Belger's question as to the price of the coat.

In light of Hansen's confused and inconclusive testimony, we believe greater weight should be afforded to the clear and consistent testimony of Schachner, Cramer, Belger, Kane, and Hicks. Such a reweighing of evidence, in our view, compels a factual finding that Hansen did misrepresent to Respondent that he paid \$1,800 for the coat.

We further note that the Administrative Law Judge did not adequately consider whether Hansen misrepresented the length of the coat in pursuing his claim. The Respondent argues that Hansen deliberately represented to Cramer and Investigator Schachner that the coat in question was a full-length coat, when in fact, as the record shows, it was fingertip length, i.e., a short

one, and thus was worth less because it involved fewer skins and less labor. Mac Miller, the salesman who sold the coat to Hansen, testified that Hansen got a three-quarter-length coat and the sales receipt² describes the coat as being a short coat. Nevertheless, Cramer testified without contradiction that when she asked Hansen for a description of the coat he described it as a full-length coat. Hansen merely testified that "I gave her the details."

Investigator Schachner similarly testified that Hansen told him it was a full-length coat, and, on the basis of that representation, Schachner recommended a settlement for \$1,370. Hansen's testimony, on this point, taken *in toto*, is of dubious weight, for although he testified on two occasions that he told Schachner it was a short coat he later testified that he could not recall if he told anyone it was not a short coat.

The preponderance of the evidence, therefore, appears to us to establish that Hansen purchased a short coat but that he told both Cramer and Schachner that he had purchased a full-length coat. Thus we are led to the ultimate factual finding that Hansen misrepresented the price he had paid for the coat, and, in an effort to bolster that misrepresentation, further misrepresented the nature of the garment.

Notwithstanding our affirmance of the Administrative Law Judge's 8(a)(1) finding, therefore, we must consider whether the record here will support the conclusion that Hansen was discharged, not by reason of the misrepresentations which we have found he made and the resultant impairment of his trustworthiness, but rather because of the antiunion attitude evidenced by the 8(a)(1) conduct which we have found.

Hansen conceded that he played no leadership role in the Union and that he was not a particular advocate for or against

2. Cramer testified that Hansen said he did not have a copy of the bill of sale. Schachner testified that Hansen told him he did not have the bill and did not know what he did with it. Respondent obtained a copy of the sales receipt during the subrogation proceedings.

the Union. Hansen testified only that he told the Respondent that he had received union literature and had attended some meetings. Indeed, because of this limited knowledge of Hansen's union involvement, the Administrative Law Judge found it necessary to infer knowledge on the part of the Respondent that Hansen had signed an authorization card for the Union and had distributed cards to other employees—an inference which is itself questionable upon these facts.

Against this highly doubtful inference, we must balance the seriousness with which we would reasonably expect Hansen's offense to be regarded by the Respondent. In his capacity as a claims agent, Hansen was responsible for investigating and processing claims filed with the Company and against it. Consequently, the Respondent had to have complete confidence not only in his ability and judgment competently and fairly to handle such claims, but by the very nature of its operations also had to repose its full trust in his honesty and integrity in acting in its behalf. In these circumstances, Hansen stood in a fiduciary relationship to Respondent. It is reasonable to expect that an employer in this industry would demand and hold such an employee to the highest standards of trustworthiness.

That being the case, Respondent could be expected to look with apprehension at the incidents surrounding Hansen's claim over the lost coat. It is clear that those incidents indicated to the Respondent that Hansen had acted with probable deceit, and surely less than total honesty and candor in pursuing his claim. Under these circumstances, in our opinion, there is strong support for Respondent's contention that the cause of his discharge was his conduct which reasonably led Respondent to doubt his integrity, rather than his minimal union activity, of which we are less than sure that Respondent had knowledge.

In view of the foregoing, we deem the evidence, on the record considered as a whole, insufficient to support a finding that the reason advanced by Respondent for Hansen's discharge were pretextual, or that he was discharged in violation

of Section 8(a)(1) and (3) of the Act. Accordingly, we shall dismiss the 8(a)(3) allegation of the complaint relating to the said discharge.

Conclusions of Law

1. Respondent is engaged in commerce within the meaning of Section 2(2) and (6) of the Act.

2. The Union is a labor organization within the meaning of Section 2(5) of the Act.

3. By engaging in the conduct described in section III of the Decision of the Administrative Law Judge, Respondent interfered with, restrained, and coerced its employees in the exercise of rights guaranteed them in Section 7 of the Act, and thereby has engaged in and is engaging in unfair labor practices within the meaning of Section 8(a)(1) of the Act.

4. Respondent did not engage in unfair labor practices within the meaning of Section 8(a)(3) and (1) of the Act by discharging Edgar Hansen.

Remedy

Having found that Respondent engaged in certain unfair labor practices, we shall order it to cease and desist therefrom and to take certain affirmative action designed to effectuate the policies of the Act.

Order

Pursuant to Section 10(c) of the National Labor Relations Act, as amended, the National Labor Relations Board hereby orders that the Respondent, Allstate Insurance Company, Baldwin, New York, its officers, agents, successors, and assigns, shall:

1. Cease and desist from:

(a) Coercively interrogating employees concerning their union activities and the union activities of other employees.

(b) Threatening employees with discharge or other reprisals if they join or assist Local 365, United Automobile,

Aerospace and Agricultural Implement Workers of America, International Union, or any other labor organization.

(c) Giving employees the impression that their union meetings and union activities are being kept under surveillance.

(d) Requiring or attempting to require employees to report on union meetings and activities.

(e) In any like or related manner interfering with, coercing, or restraining employees in the exercise of their rights guaranteed them in Section 7 of the Act.

2. Take the following affirmative action designed to effectuate the policies of the Act:

(a) Post at its offices and facilities in Long Island, New York, copies of the attached notice marked "Appendix."³ Copies of said notice, on forms provided by the Regional Director for Region 29, after being duly signed by an authorized representative of Respondent, shall be posted by Respondent immediately upon receipt thereof, and be maintained by it for 60 consecutive days thereafter, in conspicuous places, including all places where notices to employees are customarily posted. Reasonable steps shall be taken by Respondent to insure that said notices are not altered, defaced, or covered by any other material.

(b) Notify the Regional Director for Region 29, in writing, within 20 days from the date of this Order what steps the Respondent has taken to comply herewith.

Dated, Washington, D. C.

March 12, 1974

Edward B. Miller, *Chairman*
Howard Jenkins, Jr., *Member*
National Labor Relations Board

(Seal)

3. In the event that this Order is enforced by a Judgment of a United States Court of Appeals, the words in the notice reading "Posted by Order of the National Labor Relations Board" shall read "Posted Pursuant to a Judgment of the United States Court of Appeals Enforcing an Order of the National Labor Relations Board."

Member Kennedy, concurring in part and dissenting in part:

I would dismiss the complaint in its entirety. I believe that the credibility findings of the Administrative Law Judge are not supported by the relevant evidence⁴ and that careful consideration of all the testimony in the record requires findings of fact and conclusions of law different from those made by the Administrative Law Judge.

The Board must place heavy reliance on its Administrative Law Judge's evaluation of the truth or falsity of testimony. As the resolution of credibility conflicts often determines the final outcome of the issues in cases before the Board, the Board expects the Administrative Law Judges to indicate carefully and specifically how they arrive at their credibility conclusions.⁵ Failure to do so here, in my judgment, requires rejection of the Administrative Law Judge's conclusions as to credibility.

The Administrative Law Judge failed to mention the large body of testimony supporting Respondent's position with respect to Hansen's discharge. Moreover, a careful analysis of the record indicates that there are serious inconsistencies and contradictions in Hansen's testimony which she did credit. All testimony must be considered before findings of fact and conclusions of law can be made.

Respondent's defense to the alleged discrimination is that employee Hansen was discharged, after an exhaustive investigation, for defrauding it of hundreds of dollars on an insurance claim. In particular, Respondent argues that Hansen lied about the purchase price of the insured property. The Administrative Law Judge brushed aside this defense by virtually ignoring the extensive supporting testimony, based largely on her reasoning that "as a knowledgeable claims adjuster, Hansen did not, in filing or pressing his claim as an insured party, speak

4. *Standard Dry Wall Products, Inc.*, 91 NLRB 544, enfd. 188 F. 2d 362 (C. A. 3).

5. See *H & S Company, Inc.*, 108 NLRB 1193.

of the [insured] cost in terms of what he paid for it, but rather, as he testified, referred to its insured value or its replacement value." Viewing the total record, I do not believe this conclusion can withstand scrutiny, and find that Hansen was untruthful about the purchase price of the coat. Moreover, he misrepresented the facts with respect to the description of the coat.

The Administrative Law Judge found that when Hansen discussed his claim with Cramer, Respondent's claim investigator, Hansen had given her the figure of \$1,800 as the value of the coat, and when she asked him what he paid for it he stated that it was insured for \$1,800. However, the Administrative Law Judge failed to set forth other important portions of Cramer's testimony: Cramer also testified that she again asked him how much he paid for the coat, he replied that he paid \$1,800. She further testified that, when District Claims Manager Belger later told her Hansen was fired because of the claim, she again said that Hansen had told her that the coat cost him \$1,800. I believe the Administrative Law Judge inaccurately summarized all of Cramer's testimony on this issue.

Investigator Schachner testified unequivocally that Hansen said that he paid \$1,800 for the coat. Hansen never denied this statement. He did testify that he told Schachner the coat was worth \$1,800. But this is not inconsistent with also telling Schachner that he paid \$1,800. The Administrative Law Judge's Decision fails to reflect any of the representations Hansen made to Schachner about the coat.

Even more critical is the conspicuous absence of a full discussion regarding Hansen's statement at the October 19, 1971, meeting where Respondent offered, and Hansen accepted, \$1,370 on the claim. The conversation occurred largely between Belger and Hansen, and concerned problems such as the absence of any receipt for the coat and Hansen's claim that he paid \$1,800 for the coat while the most expensive coat on

the rack at the store where he purchased it cost only \$1,370. Belger testified that Hansen said he paid \$1,800 for the coat. Supervisor Kane, who was also at the meeting, twice corroborated Belger, testifying that Hansen said he paid the full amount, \$1,800, in cash. Supervisor Hicks, who also was at the meeting, agreed that Hansen said that he paid \$1,800 for the coat.

If an Administrative Law Judge is to reject the testimony of all five witnesses who testified that Hansen said he paid \$1,800 for the coat, the Administrative Law Judge is obliged to state the reasons for such rejection. The Administrative Law Judge cannot discredit the testimony of five witnesses on this critical issue by giving it the silent treatment.

Hansen's own affidavit, made under oath to a Board agent during the investigation of this charge, states: "Don [Belger] asked me what was the value or price on the coat and I told him \$1,800." At the hearing, Hansen tried to mitigate the effect of this crucial admission, not by disputing the use of the word "price," but only by testifying he *meant* the replacement value was \$1,800. But his subjective intent cannot qualify his objective statement to Belger. Next, Hansen testified that he could not recall if he answered Belger's question as to the price of the coat. Still later he finally denied that he told Belger what he paid for the coat, and insisted he referred only to the replacement value of the coat.

In light of Hansen's equivocal and inconsistent testimony and the contrary consistent testimony of Schachner, Cramer, Belger, Kane, and Hicks, I would find that Hansen told Respondent that he paid \$1,800 for the coat. Since he actually paid \$844.82 for the coat, there is merit to Respondent's defense that Hansen attempted to defraud respondent in connection with his claim.

The Administrative Law Judge made no findings regarding the description of the coat which Hansen gave to Cramer and investigator Schachner. Respondent argues that Hansen deliber-

ately inflated the description as part of his fraudulent plan. The record shows that a full-length coat is one which goes below the knees and a short coat is one which is only fingertip length. All other things being equal, a short coat is worth less than a full-length coat simply because it involves fewer skins and less labor. A short coat is sometimes referred to as a three-quarter-length coat. Mac Miller, the salesman who sold the coat to Hansen, testified that Hansen got a three-quarter-length coat and the sales receipt describes the coat as being a short coat. Nevertheless, Cramer testified that when she asked Hansen for a description of the coat he described it as a full-length coat. Hansen merely testified that "I gave her the details." Hansen did testify that he and his wife did not consider it a short coat because she was short and the coat went down to her knees. When he gave a description of the coat to Respondent, he should have given an accurate description, not a fanciful description of what he and his wife secretly considered it to be.

Again, Investigator Schachner testified that Hansen told him it was a full-length coat. Schachner investigated and recommended a settlement of \$1,370 on the basis that the coat was a full-length coat. Again, Hansen's testimony is suspect for he testified on two occasions that he told Schachner it was a short coat. He later testified that he could not recall if he told anyone it was not a short coat.

I would find that Hansen purchased a short coat and that he told both Cramer and Schachner that he purchased a full-length coat. There is no dispute on the record that he did purchase a short coat. Cramer's testimony that Hansen told her the coat was full length is uncontradicted. Hansen's and Schachner's testimony regarding what Hansen told Schachner directly conflict. I would credit Schachner. In my view, the chain of unusual circumstances surrounding Hansen's claim compelled inquiry of him by Respondent's agents as to the price paid and the description of the coat. I am satisfied that if Hansen had answered the inquiries truthfully he would not have received \$500 above his purchase price.

In my view, it makes no difference that the reason for the discharge occurred in connection with Hansen's role as a policy-holder of Respondent rather than as a trusted claims adjuster for Respondent. Hansen falsified information in the processing of a claim. Respondent has a lawful right to terminate an adjuster whose conduct raises grave doubts concerning his trustworthiness.

Hansen conceded that he played no leadership role in the Union and that he was not a particular advocate for or against the Union. Other than Hansen's testimony that he told Respondent that he had received union literature and had attended some meetings, there is no other evidence or reason to believe that Respondent was aware of any union activity by Hansen. I agree with the majority that Respondent was not motivated by union consideration in discharging Hansen and the 8(a)(3) allegation of the complaint should be dismissed.

The only evidence of the alleged 8(a)(1) violations is the uncorroborated testimony of Hansen. Respondent's witnesses categorically denied making any of the statements violative of Section (a)(1) attributed to them by Hansen. As I have stated and my colleagues in the majority concede, Hansen's testimony was inconsistent and contradictory on several points. Contrary to the majority which accepts the Administrative Law Judge's crediting of Hansen's testimony over the denials of supervisors allegedly involved, I would discredit Hansen's testimony completely. I am unwilling to predicate an 8(a)(1) finding supported solely by the testimony of Hansen and no other witness.

From the foregoing facts, I would conclude that no unfair labor practices have occurred and I would dismiss the complaint.

Dated, Washington, D. C. March 12, 1974.

Ralph E. Kennedy, Member
National Labor Relations Board

APPENDIX

NOTICE TO EMPLOYEES

Posted by Order of the
National Labor Relations Board

An Agency of the United States Government

After a trial in which all parties had the opportunity to present their evidence, it has been decided that we violated the law and we have been ordered to post this notice. We intend to carry out the order of the Board and abide by the following:

WE WILL NOT coercively interrogate concerning their union activities and the union activities of other employees.

WE WILL NOT threaten employees with discharge or other reprisal if they join or assist Local 365, United Automobile, Aerospace and Agricultural Implement Workers of America, International Union, or any other labor organization.

WE WILL NOT require or attempt to require employees to report on union meetings and activities.

WE WILL NOT give employees the impression that their union meetings and union activities are being kept under surveillance, or in any like or related manner interfere with, restrain, or coerce employees in the exercise of their protected rights.

All employees are free to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection. Our employees are also free to refrain from any or all such activities.

Allstate Insurance Company
(Employer)

Dated By
(Representative) (Title)

This is an official notice and must not be defaced by anyone.

This notice must remain posted for 60 consecutive days from the date of posting and must not be altered, defaced, or covered by any other material.

Any questions concerning this notice or compliance with its provisions may be directed to the Board's Office, 16 Court Street, Fourth Floor, Brooklyn, New York 11241, Telephone 212-596-3535.

UNITED STATES COURT OF APPEALS
For the Second Circuit

No.

ALLSTATE INSURANCE COMPANY,
Petitioner,

vs.

NATIONAL LABOR RELATIONS BOARD,
Respondent.

PETITION TO REVIEW AND SET ASIDE A
DECISION AND ORDER OF THE NATIONAL
LABOR RELATIONS BOARD

Allstate Insurance Company, a corporation, through its undersigned attorneys and pursuant to Section 10(f) of the National Labor Relations Act, as amended (29 U. S. C. Sec. 160 (f)), and Rule 15 of the Federal Rules of Appellate Procedure, hereby petitions this Honorable Court to review and set aside a Decision and Order of the National Labor Relations Board, reported at 209 NLRB No. 68, insofar as said Order found petitioner guilty of violating Section 8(a)(1) of the National Labor Relations Act. Said Decision and Order, Member Kennedy dissenting, issued on March 12, 1974 and is styled on the records of the Board as Case No. 29-CA-3099.

The grounds for this petition are that:

- 1) The Board's Decision and Order, insofar as it finds Petitioner guilty of violating Section 8(a)(1) of the National

Labor Relations Act, is unsupported by substantial evidence on the record as a whole, and is erroneous as a matter of law.

2) Petitioner is aggrieved by said Order.

3) The unfair labor practices alleged to have been committed, occurred in Long Island, New York, within this judicial circuit. Petitioner also maintains offices and transacts business in this circuit.

Wherefore, Petitioner respectfully prays that this Court review, set aside, and vacate said Decision and Order of the National Labor Relations Board, insofar as it finds and concludes that Petitioner has committed violations of Section 8(a)(1) of the National Labor Relations Act, and grant such further relief as may be just and proper.

Philip C. Lederer

Steven R. Semler

Lederer, Fox and Grove

111 West Washington Street

Chicago, Illinois 60602

Attorneys for Petitioner

Certificate of Service

The undersigned hereby certifies that a copy of the attached Petition to Review and Set Aside a Decision and Order of the National Labor Relations Board has been served this 18th day of March, 1974 by United States Certified Mail, Return Receipt Requested, postage prepaid, upon each of the following:

Mr. Samuel Kaynard, Regional Director
National Labor Relations Board, Region 29
16 Court Street
Brooklyn, New York 11241

Mr. Elliott Moore
Deputy Associate General Counsel
National Labor Relations Board
1717 Pennsylvania Avenue, N. W.
Washington, D. C. 20570

Soloman B. Marcus, Esq.
Attorney for Local 365, U.A.W.
179 Jamaica Avenue
Brooklyn, New York

John Walcer, Esq., Attorney for Edgard Hansen,
26 Wood Avenue
Massapequa, New York

/s/ Steven R. Semler
Steven R. Semler

[17] WILLIAM QUINN, a witness, called by and on behalf of the General Counsel, having been duly sworn, testified as follows:

Direct Examination

Q. (By Mr. Appell) State your address for the record.

A. 1435 East 28th Street, Brooklyn, New York.

Q. Mr. Quinn, what is your occupation?

A. I am a staff representative of Local 365, United Auto Workers.

[18] Q. How long have you served in that capacity?

A. Twelve years.

Q. Mr. Quinn, did there come a time when you were involved in an organizing campaign respecting employees of Allstate Insurance Company?

A. There was.

Q. Do you remember when that began?

A. Yes, it began in the early part of 1971. A former employee that I serviced out in Glen Cove, Long Island, who had resigned from that company called me and asked me if U. A. W. 365 would be interested in organizing the members of some people in Allstate Insurance Company.

And I said, yes, so he asked me, he told me that, he took my home phone number, and he had one of the gentlemen call me from Allstate.

This man called at that time. He wouldn't give his name, but he asked if I would be available for a meeting with one or two people from the interested parties.

* * * * *

[19] Q. Did there come a time when you met with any employees of Allstate Insurance Company?

A. Yes, the first meeting took place at the West End Restaurant.

Q. Where is that?

A. Out in Hempstead.

Q. Do you remember the date?

A. November, about November, the early part of November. November seven or eight or nine.

Q. How many people were present at that time?

A. The President of Local 365 and Mr. C-i-c-a-l-a. He is the President of Local 365. The gentlemen from Allstate were there and myself.

Q. Did there come a time when you had a meeting after that date?

A. Yes, we had another meeting with five representatives, [20] these two gentlemen and three others at Hicksville Motor Lodge.

Q. What date was that?

A. That was in the middle of November, about the 18th or something. The 18th or 19th. In and around there.

Mr. Lederer: Excuse me. I am going, to be sure my objection is broad enough. I want to be sure my objection to this line of testimony is understood to include all such meetings in so far as they may involve any part of General Counsel's evidence as to what occurred on the same basis that they occurred prior to the 10B period.

Judge Sarica: Same ruling.

Q. And, where is the Hicksville Motor Lodge located?

A. At the borderline of Hicksville and Westbury on Old Country Road.

Q. Where you present?

A. Yes.

Q. How many employees of Allstate were there?

A. About six or seven were there.

Q. Did there come a time after that when you had another meeting with Allstate employees?

A. Yes, we had another meeting in the latter part of November, the end of November, around the 26th, 23rd, in and around there at the Long Island Restaurant, that is in Garden City, right on Old Country Road.

[21] Q. Were you present at that meeting?

A. Yes, I was.

Q. How many employees of Allstate were there?

A. Four at that meeting only?

Mr. Appell: May I ask the reporter mark this document as General Counsel Exhibit 2, for identification.

(Above-referred to document marked General Counsel's Ex. No. 2, for identification.)

Q. I show you General Counsel's Exhibit 2, for identification and ask you if you could tell us what that is?

A. This is, after that meeting at the Long Island restaurant when the men from Allstate, the four or five men from Allstate had agreed that Mr. Ciccala and I passed the test in reference to A, ACA, they asked that we draw up a leaflet and send it out to the employees.

This was drawn up in February of 1971 and that leaflet was held up until May or June for the simple reason that we couldn't send it out.

We were waiting for the names of the list of people in the Baldwin office and it was suggested we don't send it out until we got that letter, the list of names from Baldwin.

But this was the first letter that was sent out to the employees of Allstate.

Q. Who prepared this letter?

[22] A. Mr. Ciccala and I.

Q. To who did you send it?

A. All the employees that we had the listing of.

Q. How many?

A. I think 147 all told.

Q. Where was this letter sent?

A. To all of their homes.

* * * * *

[23] Judge Sarrica: On that basis I grant the—it is received, excuse me.

(Document previously marked General Counsel's Ex. No. 2 received in evidence.)

Q. Mr. Quinn, which month was this prepared?

A. This was prepared in February of 1971.

Q. I show you the document and I ask you if the date is correct?

A. '72. That looks like the right date.

Q. Now, after that letter was prepared did there come a time when there was still another meeting of the union with the employees of Allstate?

A. Yes, in May of 1972.

Q. Do you remember the dates of that meeting?

A. May fourth or fifth.

Q. Where was that meeting held?

A. That was held at the Hicksville Motor Lodge.

Q. Were you present at that meeting?

A. Yes, Mr. Ciccala and I were present.

Q. How many employees of Allstate were present?

A. 35 or 40.

Q. At that meeting?

A. Yes, 35 or 40.

[24] Mr. Appell: I ask that the reporter mark this document as General Counsel Exhibit Number 3, for identification.

(Above-referred to document marked General Counsel's Ex. No. 3, for identification.)

Q. I show you General Counsel Exhibit Number 3 for identification and I ask you if you could tell us what that is.

A. Well, this was a result of the first meeting we had, it was decided, we had additional names given to us the night of the May fifth meeting, it was decided to send out a general membership meeting to tell them about the amount of cards that we received, the signed cards we had for membership in the U. A. W.

These cards we were going to send to the NLRB for the purposes of election.

Q. Who prepared that letter?

A. Mr. Ciccala and I.

Q. Who was it sent?

A. To all the employees that we had listed.

Q. To what addresses did you send them?

A. To their homes.

* * * * *

[25] Judge Sarrica: Same ruling. General Counsel Exhibit 3 is hereby received.

(Document previously marked General Counsel's Ex. No. 3, received in evidence.)

* * * * *

[27] Q. At the time you sent out that letter by that time, how many cards had been signed by employees of Allstate, to your knowledge and returned to the union?

A. Returned to the union, we had about 65.

Mr. Appell: I ask that the reporter mark this card as General Counsel Exhibit 4.

[28] (Above-referred to document marked General Counsel's Ex. No. 4, for identification.)

Q. I show you General Counsel's Exhibit Number 4. Can you tell me whether any such cards of that type were signed by any Allstate employees?

Mr. Lederer: Objection, same basis stated before as to cards in addition to the standing objection.

Judge Sarrica: Overruled.

A. Yes, these are the cards.

Mr. Appell: I offer it in evidence.

Mr. Lederer: Objection to lack of relevance or materiality to this proceeding or any of the issues therein.

Judge Sarrica: Exhibit 4 is hereby received.

(Document previously marked General Counsel's Ex. No. 4, received in evidence.)

Mr. Appell: I ask that the reporter mark this paper as General Counsel Exhibit 5, for identification.

(Above-referred to paper marked General Counsel's Ex. No. 5, for identification.)

Q. I show you General Counsel's Exhibit 5, for identification and I ask you if you ever have seen that before?

A. Yes, this I sent out. This was for the purpose of identification to make sure everyone knew how to get [29] there.

Q. When did you send that?

A. May 31st.

Q. Of which year?

A. '72. This was for the June meeting.

Q. To whom did you send that letter?

A. All of the employees who had listed the addresses that I had gotten.

Q. Where did you send them?

A. To their homes.

Mr. Appell: I offer this document, General Counsel Exhibit 5 in evidence.

Mr. Lederer: Objection on the basis that it is again before the 10B period and totally irrelevant and immaterial to the issues in this proceeding, self-serving.

Mr. Appell: I note that is not, that is within the 10B period, Your Honor.

Mr. Lederer: It is not.

Mr. Appell: It is.

Mr. Lederer: Excuse me, I believe the 10B period is, the change is filed November 6, '72, that is not within the 10B period of six months.

Mr. Appell: May sixth. It is dated the end of May.

Mr. Lederer: I withdraw that objection. My [30] mathematics has not kept pace with my legal training.

Judge Sarrica: General Counsel Exhibit 5 is hereby received.

(Document previously marked General Counsel's Ex. No. 5 received in evidence.)

Mr. Lederer: I still maintain the objections on that one.

Q. Mr. Quinn, this letter refers to a meeting on June fifth, did that ever take place?

A. It did.

Q. At what time?

A. About eight p.m.

Q. Where?

A. Hicksville Motor Lodge.

Q. Were you present at that meeting?

A. I was.

Q. Who else for the union was present?

A. Mr. Ciccala, Marco Ciccala.

Q. Who else was there? About how many other people were there?

A. About 53, 54.

Q. Did anyone sign cards at that meeting?

A. At the meeting, no. I didn't want them to sign cards at the meeting.

Q. Did there come a time after May 15th when other [31] people signed cards for the union as you recall?

A. About four or five.

Mr. Lederer: Same objection to any question bearing on the signing of these cards even within the 10B period on the ground that it is not material or relevant to any issue in this proceeding.

Judge Sarica: Overruled.

Q. What was your answer?

A. About four or five I got additional cards from.

Mr. Appell: I ask that the reporter mark this paper as General Counsel Exhibit 6, for identification.

(Above-referred to paper marked General Counsel Ex. No. 6, for identification.)

Q. Mr. Quinn, I show you General Counsel Exhibit 6, for identification and I ask you to identify that.

A. Yes.

Q. Did you prepare that?

A. Yes, I prepared this. Again, this was a meeting for the August third meeting. We changed the time to 9:30 to make it easier for the men to attend.

Q. Did you send that letter out on behalf of the union?

A. I did.

Q. To whom did you send it?

A. All the ones that I have listed, the names and [32] addresses.

Q. To the same addresses?

A. To their homes.

Q. Do you remember the date that you sent it?

A. July, the end of July, the middle of July, sometime.

Q. Does it refresh your recollection if I showed you the exhibit?

A. Yes, July 27th.

Mr. Appell: I offer it in evidence.

Mr. Lederer: Objection on the basis of no relevancy or materiality to any issue in this proceeding and self-serving.

Judge Sarrica: Objection is overruled. The Exhibit 6 is hereby received.

(Paper previously marked General Counsel's Ex. No. 6 received in evidence.)

Q. Mr. Quinn, that letter refers to a meeting on August third, was that held?

A. It was.

Q. At what time?

A. Five thirty p.m.

Q. Were you present at that meeting?

A. I was.

Q. Who else was present?

[33] A. Mr. Marco Ciccala.

Q. Were any employees of Allstate present?

A. Yes, 49 or 50 we had at that meeting.

Q. Did anyone sign cards at that meeting?

A. Yes.

Mr. Lederer: Same objection.

A. They did.

Judge Sarrica: Overruled. When there is an objection, wait.

A. Excuse me.

Q. What was your answer?

A. Yes, they did.

Q. About how many?

A. About four or five fellows out in the lobby. I told them to go; I didn't want to see them signing it. They were new men.

Q. After that date did anyone else sign cards from Allstate Insurance Company?

* * * * *

[34] Judge Sarrica: I will sustain that objection.

Q. Did you ever send any further communications to employees of Allstate after the one that was just submitted into evidence?

A. No.

Q. To the best of your recollection was Mr. Edgar [35] Hansen at any of the union meetings which you testified to?

A. Mr. Hansen was at the meeting we held at the Hicksville Motor Lodge.

Q. Which was that?

A. That was the May, June and August meetings.

Q. I see.

Do you recall whether he was at any of the earlier ones?

A. No, the earlier ones were preparatory to the other meetings.

Q. Did you see him at these meetings in May, June and August?

A. Yes.

Q. Do you recall if he said anything at these meetings?

Mr. Lederer: I object on the basis that whether or not Mr. Hansen said anything at these meetings is utterly immaterial.

There is no allegation I am sure that the company was present at these meetings and subsequently whether or not he said anything could not charge the company with any knowledge and therefore, and this is an improper way of trying to establish knowledge on the part of the employer also.

[36] Judge Sarrica: I will overrule it at this time.

Q. Do you want to answer the question, please?

A. The question was?

Q. Whether, if you recall Mr. Hansen say anything at these meetings that you testified he was present at?

A. Yes, his voice was there as few of the others in favor of the organization.

Mr. Lederer: I object to this gratuitous remark and ask that it be expunged.

Judge Sarrica: I will grant that and please confine your answer to the question.

Q. Do you remember if Mr. Hansen spoke at the May meeting?

A. Yes, he did.

Q. What did he say to the best of your recollection?

A. To the best of my recollection he was voiced.

Mr. Lederer: Same objection as to anything that he said.

Judge Sarrica: Overruled.

Q. Answer the question.

A. He wanted to help, and he told us, Mr. Ciccala and I, if he could do anything to help to further the organizational drive, he would. He would be always available.

Q. Did he say this just to the two of you personally?

[37] A. No, at the membership meeting.

Mr. Lederer: Same objection, and I move that it be stricken.

Judge Sarrica: Overruled.

Q. Do you recall whether he spoke at the June meeting?

A. Yes, he did.

Q. What did he say at that meeting?

A. The same thing, he offered his services.

Q. Did he state this aloud or to you privately?

A. Aloud from the floor. He asked for the floor, and he raised his hand and he was given the floor for his enunciations.

Q. Do you recall what, if anything, Mr. Hansen said at the August meeting?

Mr. Lederer: Same objection, and I move that any such answers be stricken. I have tried not to interrupt the witness, but I want to be sure that our objection shows as to any testimony as to what Mr. Hansen said at these meetings.

It cannot be material to this proceedings.

Judge Sarrica: Overruled.

Q. He said the same thing. Mr. Hansen was behind us one hundred percent and wanted to do all he could do to help us.

Q. Did he say this?

[38] A. He said this out loud.

Q. Do you recall for how long he spoke at each of these meetings, May, June and August?

Mr. Lederer: Same objection.

Judge Sarica: Overruled.

A. The usual time, about two- three minutes.

Q. Did most of the employees at each of these meetings speak up?

A. Yes, most of them did.

Q. Would you say there were any that spoke up more than Mr. Hansen?

A. I would say, no. I think he was equally, just as equally responsive as anyone else.

Q. By the way, when you were organizing the employees or attempting to organize the employees of Allstate, were you operating, were you aiming at a particular geographic area or unit of the company?

* * *
[39] A. This area is Hollis, Islip Terrance, Baldwin, Midwood. There were five of them involved.

Q. Five offices?

A. Five different offices in an area, certain area. Elmhurst and Midwood which is in Brooklyn.

Q. And the other offices, are they in Nassau and Suffolk Counties?

A. Yes, Nassau and Suffolk.

* * * * *

[40] ROBERT GREENE a witness, called by and on behalf of the General Counsel, having been duly sworn, testified as follows:

Direct Examination.

* * * * *

[41] Mr. Appell: I ask that the reporter mark this document of two pages as General Counsel Exhibit Number 7.

(Above-referred to document marked General Counsel Ex. No. 31, for identification.)

Mr. Appell: Do you wish to see it before I question the witness, Your Honor?

Judge Sarrica: No, that is all right.

Q. Mr. Greene, I show you General Counsel Exhibit Number 7, and I ask you to identify it, if you can?

A. Yes, this is a letter that I received while I was in the Islip Terrace office on either October fifth or October sixth of 1971.

It was a copy of this letter that was on the desk of each of the employees, to the best of my recollection.

Q. Now, Mr. Cartiglia's name appears on this, can you [42] tell me who he is?

A. He is the regional claims manager for us for the Long Island region of Allstate Insurance Company.

Q. What is included within the Long Island region?

A. Basically it would include the, starting from the east, Islip Terrace office, the former Huntington office which is now the Commack office, the Baldwin office, Carle Place office, the Elmhurst office, the Midwood office and the Hollis office and the legal department in Lake Success.

Q. I call upon respondent to stipulate that this letter, General Counsel Exhibit 7 was in fact distributed to people within Mr. Cartiglia's unit.

Mr. Lederer: As far as the area of this distribution I assume it was within Mr. Cartiglia's jurisdiction.

As far as the letter being distributed I would be willing to stipulate that such a letter was sent, subject however to the objection that, and standing objection, that it is within the 10B period and therefore is not a part of this proceeding properly and subject to the further objection that this letter is not with respect to the charging party as a labor organization.

It has to do with another labor organization entirely affiliated with the Teamsters Union.

And now we are going further afield here and [43] perhaps the attempt to introduce this document is indicative of the effort General Counsel is making in this proceeding.

In any event we do stipulate to the authenticity of this document, but certainly we oppose its admission on the basis already suggested.

Judge Sarrica: The objection is on relevancy.

Mr. Appell: I offer it in evidence at this time, Your Honor.

Mr. Lederer: Yes.

Judge Sarrica: General Counsel Exhibit Number 7 is hereby received. Your objection goes to relevancy, did I hear you say that?

Mr. Lederer: Yes.

* * * * *

[45] Judge Sarrica: The stipulation that Mr. Forsythe is a supervisor of the company as testified, is received.

The other objection is overruled pending connection with something in the complaint.

Mr. Lederer: It is my understanding then, Judge, that in the event this is not connected up to the complaint the Judge will address herself to the subject of exclusion again?

Judge Sarrica: Yes.

Mr. Lederer: Thank you.

Further Direct Examination

Q. (By Mr. Appell) Did you speak to Mr. Forsythe at that time?

A. Yes, I did speak to Mr. Forsythe on the telephone.

Q. What did he say to you?

A. Mr. Forsythe advised me that I received a pay [46] raise.

Q. Did you (sic) advise you, say anything else to you?

Mr. Lederer: Wait. I am going to object and ask that this matter be further examined by the Judge as allegedly a possible unfair labor practice occurring outside the 10B period and being attributed to a supervisor who is in no way charged in this complaint as amended.

Judge Sarrica: I will overrule it at this time.

A. Mr. Forsythe advised me that I had received a pay raise, and I asked him how much and so on and so on, and he advised me Eugene Morrill wanted to speak to me about it.

Q. Who was Mr. Morrill?

A. He was the accident services office manager in Islip Terrace at that time.

Q. N-o-r-r-i-l?

A. M-o-r-r-i-l-l- or e-l-l.

Mr. Appell: Will respondent stipulate Mr. Morrill was a supervisor within the meaning of the Act at that time?

Mr. Lederer: Again, we will stipulate to the fact that this man was a supervisor within the meaning of the Act at that time, but again we object to any testimony here which seeks to attribute any possible [47] unfair labor practice to the company through Mr. Morrill. Mr. Morrill is in no way charged in the complaint as amended and there is no provision therein which put us on notice that we are defending any charge against Mr. Morrill, any more than we were defending any charge respecting matters attributed to Roger Forsythe and again there was no such allegation in the complaint concerning Roger Forsythe.

Judge Sarrica: The objection is overruled, at this time.

Q. Did there come a time after that conversation when you met Mr. Morrill?

A. Yes, the day following.

Q. Yes?

A. Yes.

Q. When was that?

A. It was the following day.

Q. Where did you meet?

A. I met in one of the conference rooms in the Islip Terrace office.

Q. Do you remember the date of that meeting?

A. It would have been very late in November.

Q. Of 19?

A. '71.

Q. Who else was present?

[48] A. Mr. Roger Forsythe and Mr. Sal Francavella.
F-r-a-n-c-a-v-e-l-l-a.

Q. Who is he?

A. He was the office appropriate supervisor or—

Q. What time did this meeting start, do you recall?

A. I believe it started approximately a quarter to 12 in the morning.

Q. Did Mr. Morrill speak at that time?

A. Yes, he did.

Q. What did he say to you?

A. Well—

Mr. Lederer: Objection again on the basis that apparently we are getting no matters of attempting to charge unfair labor practices by matters attributed to persons who are nowhere named in this complaint and as to matters which occur clearly before the period of 10B.

Judge Sarica: Overruled, for later connection. You may answer.

Q. What did Mr. Morrill say at that meeting?

A. Mr. Morrill discussed the basic terms of the raise and he also made a point that he wanted a commitment from me to support the company rather than the union.

Q. Did he state which union, if any, that he was referring to?

Mr. Lederer: Same objection, objection to this [49] entire line, same objection.

A. Shall I answer?

Judge Sarrica: Same ruling, continue.

Q. Answer the questions, yes.

A. It would have been Local 365, United Auto Workers.

Q. Did there come a time when Mr. Cartiglia ever met with you?

A. Yes, Mr. Cartiglia visited the Islip Terrace office.

Q. Do you remember when that was?

A. Within a week of receiving the initial letter.

Q. That is General Counsel Exhibit 7?

A. Yes.

Q. Was it before or after?

A. He came after we received the letter on the desk.

Q. What did he say? Where did he meet with you?

A. He met with all of the employees in one of the conference rooms in the Islip Terrace office.

Q. How many employees was that?

A. I would venture a guess, at least 50, I believe.

Mr. Lederer: At least how many?

Mr. Appell: Fifty.

A. I believe it was 50.

Q. What did Mr. Cartiglia say as best as you can recall?

Mr. Lederer: Objection, before the 10B period [50] again and also although Mr. Cartiglia is named individually in the complaint there are no unfair labor practices attributed to Mr. Cartiglia and to the company through him.

And there is no allegation that participated in any way in the admission of unfair labor practice, so this is an improper showing.

Judge Sarrica: I didn't hear the date.

Mr. Appell: I believe the witness testified sometime in November, '71 or October, '71.

A. I believe—

Mr. Lederer: Wait.

Mr. Appell: He said it was a week; I believe he said it was a week after receiving General Counsel Exhibit 7 and that would place it I would say sometime in the middle of October of '71.

Judge Sarrica: I overrule the objection.

Q. What did Mr. Cartiglia say as best as you recall.

A. He spoke to employees in groups, in other words by function. For instance you have property adjusters, casualty adjusters, secretarial and clerks and so on.

So he spoke to them by groups, and he was covering the entire spectrum of wages, hours and working conditions.

Q. Do you recall what he said?

A. Well, he sat with each of the employees and [51] discussed the basic grievances that people would have.

Mr. Lederer: I am going to object to any statement of conclusions here as to what was discussed, characterize them as grievances or anything else.

That is an easy thing to do, and we have no way of testing.

Mr. Appell: Maybe I could ask another question.

Judge Sarrica: I would ask you to.

Mr. Lederer: May the answer be stricken?

Judge Sarrica: Yes, we will start over.

Mr. Appell: I don't know that it has been established that Mr. Cartiglia did not use that word. If I could ask the witness that question, perhaps we would have a better idea.

Judge Sarrica: It has not been established he was present when each of these occurred.

Mr. Appell: Fine.

Q. How many people were in the group? Were you called in to see Mr. Cartiglia?

A. Yes, I was the last person to go in.

Q. How many people were with you?

A. I was the last employee that went in, and I went in by myself.

Q. What did he say to you as best as you can recall?

A. He was in the office as was Mr. Morrill, and he [52] covered the three areas of wages, hours and working conditions.

Mr. Lederer: I object to any conclusion as to what was basically covered unless the witness could tell what was said.

These conclusions are not helpful, and they cannot be tested.

Judge Sarrica: I overrule and allow General Counsel to drop that.

Q. Try to give me exactly what Mr. Cartiglia said, rather than your conclusion as to what subject was spoken about. What did he say?

A. He wanted to—he had been speaking with individual groups as I specified prior to my going in.

And I was trying to be honest in my discussion with him, and I indicated that it did involve wages.

Mr. Lederer: I object to any testimony as to what he said to other people outside the presence of this witness as being purely hearsay which we cannot test.

Things which Mr. Cartiglia stated to this witness in his presence are in a different category.

Judge Sarrica: He has not stated yet what was said.

Q. What did Mr. Cartiglia say to you?

A. Well, one of the statements that he made, I had [53] mentioned if I can have a little latitude.

Q. What did you say to him, and what did he say to you?

A. He was advising me that he was going to the office to find out what was going on, and he had to find out.

And I responded to him by saying it was in the area of wages, hours and working conditions, one of the specific questions that he did ask was if the hours of work, the working hours were reasonable.

Q. What did you say to that, if anything?

A. I advised him that I felt that the hours of work were reasonable, but I also pointed out that the salary levels in the company were not reasonable in my opinion.

Q. Do you remember what else Mr. Cartiglia said, if anything?

A. Well, I was in the room for about 20 minutes, and we discussed the entire, I am trying to—

Q. What did he say, don't be afraid what he said, if you remember.

A. In other words, he asked me if I felt the hours, the working hours were bad, and I said no.

Then he asked me what I felt about the wages, and I did make the point that I felt they were inadequate in terms of cost of living and in terms of the industry in general, and the insurance industry in general.

[54] Q. Do you remember anything that he then said to you?

A. He was taking notes on this and he wrote them down and indicated that he would be studying them. This is the basic reaction that I have.

Q. Did Mr. Cartiglia ever meet with you or any other employees in your office, to your knowledge, before that date?

A. To the best of my knowledge, no.

Q. Did he ever meet with you after that date?

A. He did come back I would believe, several months later and held individual meetings.

Q. Do you remember what month that was, about?

A. When he came in October he advised us he was going to come back in December and to the best of my recollection there was a definite delay.

In other words, after he had compiled all the facts from his discussions.

Mr. Lederer: I object to this witness's conclusions as to what Mr. Cartiglia did.

Judge Sarrica: Sustained.

Q. When did he come back as best as you recall?

A. He came back two months after the original visit.

Q. Did he speak to you at that time?

A. He didn't speak to me individually. He just came [55] back to the office and visited.

Q. Did he come back to the office after that time?

A. He would have come to the office on business.

Q. Did he come?

A. He came back once after the original meeting, and he didn't speak to me specifically, but he did come back.

Q. Did he ever speak to you again?

A. Not after that time, not specifically.

* * * * *

[62] Mr. Appell: I offer as General Counsel Exhibit Number 13 a copy of a letter addressed to fellow Allstate officers, unquote, and signed by John J. Cartiglia, claims manager with the companion stipulation that this letter was distributed in or about early 1972 to all employees in Mr. Cartiglia's area of jurisdiction.

Mr. Lederer: I object to the acceptance in evidence of that document, not only upon the basis of its [63] being before the 10B period but also because it is not material to any of the matters in this proceeding and it is and apparently offered for so-called background information.

And I want the objection on the record.

Judge Sarrica: The stipulation, however, you will enter as to authenticity and it was described throughout Mr. Cartiglia's area to employees?

Mr. Lederer: Yes, we so stipulate.

Judge Sarrica: The stipulation is received. The objection on the basis of relevancy is hereby overruled and General Counsel Exhibit Number 13, is received.

(Above-referred to document marked General Counsel's Ex. No. 13, for identification.)

(Document previously marked General Counsel's Ex. No. 13 received in evidence.)

* * * * *

[67] EDGAR HANSEN, a witness, called by and on behalf of the General Counsel, having been duly sworn, testified as follows:

Direct Examination

Q. (By Mr. Appell) State your address for the record.

A. 1739 Roberta Lane, North Merrick, New York.

Q. Were you ever employed by Allstate Insurance Company?

A. Yes.

Q. Do you recall when you began employment with [68] Allstate?

A. November, 1960.

Q. In what position were you when you began working?

A. I was a Class A adjustor.

* * * * *

Q. When you came to Allstate who hired you?

A. Mr. M-a-n-n-a-r-i-n-o.

Q. What was his title at the time?

[69] A. He was manager of Freeport office, Long Island, New York.

Q. When you first started what office were you assigned to?

A. Freeport.

Q. Did there come a time when that office was moved?

A. Yes.

Q. Where was it located then?

A. It moved to Grand Avenue in Baldwin, Long Island.

Q. While employed at Freeport and Baldwin, to whom were you directly responsible?

A. At the Baldwin office my manager was Mr. Andy Mannarino, and he was transferred later on, and then the next man was Al Mauseri, M-a-u-s-e-r-i-.

Q. Who after him?

A. Mr. Eddy Fowler, F-o-w-l-e-r.

* * * * *

[72] Q. When you became a senior casualty adjustor, who was your immediate supervisor?

A. Mr. Ronald Brown.

Q. Did anyone else become your immediate supervisor after that?

A. No. After that would be Mr. D-e-a-n-o-r-.

Q. What was his title?

A. I believe assistant manager.

Q. Was he of that title in the year '72?

A. I believe so.

Q. Who is Don Belger?

A. A manager of the Baldwin office where I was employed.

Q. Did he have any powers of supervision over you?

A. Yes.

[73] Q. Can you explain those briefly?

A. Mr. Belger was my manager and he was in charge of the office.

Q. Mr. Deaner was the assistant manager at the same time?

A. Under Mr. Belger, right.

Q. Did anyone ever criticize you for poor work?

A. Never.

Q. Did anyone ever tell you your work was good?

A. Yes.

Q. Who was that?

A. Mr. Deaner and Mr. Belger.

Q. When did they tell you that. When did Mr. Deaner tell you that?

A. Every month we would have, there would be an evaluation written up on closings and how we handle the files, and he would comment on it.

Q. What did he say as best as you recall?

A. Very good work, nice closings, things along those lines.

Q. When was the last time he said that, do you recall?

A. I think about June.

Q. Of what year?

A. Of 1972.

* * * * *

[88] Q. Do you recall a time when you first heard of Local 365 U. A. W.?

A. Yes.

Q. When was that?

A. I believe it was about November of 1971.

Q. Did there come a time when you attended a union meeting of Local 365?

A. Yes.

Q. Do you remember when the first one was that you attended?

A. I believe the first one was in November of '71, if I am not mistaken.

Q. How did you find out about that one?

A. I received a letter in the mail, I believe, and also some of the fellows in my office were going to the meeting.

Q. About how many other people were there, do you remember?

A. Oh, I would say about 50, 55 fellows from various offices.

Q. Did you speak up at that meeting?

A. Yes.

Mr. Lederer: Wait a moment. I am going to object again to any testimony with respect to this man's participation in meetings as being totally irrelevant and [89] immaterial unless Counsel plans to connect this up to indicate that the information was transmitted to others in the company.

Judge Sarrica: I will receive it subject to connection. You may answer.

A. Could you please repeat it?

Q. Did you speak up at that November meeting?

A. Yes.

Q. What did you say, as best as you remember?

A. I asked Mr.—

Mr. Lederer: Same objection to the entire line.

Judge Sarrica: Yes.

A. I asked Mr. Quinn what benefits we would attain if we joined and what was the policy of the union and questions along those lines.

Q. Did you attend any union meetings after that time?

A. Yes.

Q. When as best as you remember?

A. As best as I recall, April, '72, May, June. I think one in August of '72.

Q. Did there come a time when Mr. Cartiglia spoke to you?

A. Yes.

Q. When was that?

A. Mr. Cartiglia spoke to me in a group meeting. He [90] spoke in a group meeting in November of '71.

Q. Where?

A. Baldwin office, Allstate Insurance Company.

Q. How many people were employed there at that time?

A. In our Baldwin office I would say they employed about one hundred people at that time.

Q. How many people were with you when he spoke to you?

A. Well, it must have been eight to ten adjusters in a group.

Q. To your knowledge did anyone else speak to Cartiglia that day?

A. Yes.

Q. What did you say, how did you know that?

A. Well, there was supposed to be a meeting where everybody could speak freely, an open type of conversation.

Q. Did you see other people go in to speak to him?

A. After the original group I was in?

Q. Yes.

A. It went on all day.

Q. Had Mr. Cartiglia ever spoken to you before in a group?

A. Never. Maybe like at a Christmas party he would talk for a couple of minutes.

[91] Q. When you were there who else was present, as best as you recall when you were in his room, with him.

A. Bill Ruisi, Vinnie McGovern, Joe Senese, Ronny Brown, Don Belger, Mr. Cartiglia and I think one of the girls, Cindy Crudo, C-r-u-d-o.

Q. Where did you all sit when you were in there?

A. Like in a circle, and Mr. Belger and Mr. Cartiglia were on the other side of the table.

Q. Did Mr. Cartiglia speak at that meeting?

A. Yes.

Q. Did you speak?

A. I spoke to Mr. Cartiglia.

Q. What did Mr. Cartiglia say and what did you say?

A. He wanted to know if we had any problems with the company and the company's policy, and I said, yes, I said I think we have a problem here.

So he said what is it, Ed. So I explained it to him what I thought our major problem was.

Q. What did you say to him?

A. I explained to him that I am, I put three years in the Navy and two in the war, and we have what is known as the rules and regulations, bootsjack manual.

And in the Police Department we have rules and regulations and manual procedure so we knew exactly what to do and where we stood.

[92] I say I am here almost 15 years at that time and I say as far as I know we don't know what we are doing right or wrong.

I said many a time we come to work on Monday and so and so will be fired and nobody ever knew why.

Q. What else did you say that you now recall?

A. Well, on my left was one of the fellows who was with me in the Police Department, he was a lieutenant and he had a couple of heart attacks, and he was with Allstate 15 years.

Q. Who was that?

A. Bill Ruisi. When he came to work for Allstate they had a pension plan. One of these pension plans if you earned a certain amount of money it was called a supplemental pension plan.

If you earned five thousand dollars a year, I am talking to Mr. Cartiglia, I said if you earned five thousand dollars a year by the time you retire you are entitled to a pension.

I see here they sent out proxies.

These people are going to retire without a pension.

A. I said I have a pension from the Police Department. These people go out with nothing, I said. They kept [93] raising the rate. When they hit five they changed it to ten and then to 15.

Q. Is that what you said to Mr. Cartiglia?

A. Right. So nobody got a pension.

Q. Did he say anything?

A. He became annoyed. I said you are telling me this pension is for a few people in the higher echelons, and he wrote my name down.

Q. How do you know that he wrote your name down?

A. I saw him.

Q. Whom did you mention by name when you spoke about this employee?

A. The fellow who I was referring to?

Q. Yes.

A. Bill Ruisi.

Q. Did you refer to any other employees?

A. Another fellow named Joe S-e-n-e-s-e.

Q. What did you say about him?

A. He also has a heart condition and is going to retire very shortly without a quarter.

Q. Do you recall now whether you made any occasions (sic) about specific instances of employees?

A. Not that I could recall at the moment.

Q. Do you recall any references that you made to an attorney?

[94] Mr. Lederer: Now I am going to object to this leading form, practically putting the answer in the mouth of the witness and I don't think that is proper.

Judge Sarrica: I will permit the question.

A. Well, getting back to the rules and regulations which I thought was important because being with the company 12 years I didn't know what the rules were.

I said it is common knowledge when an attorney went out with one of the ladies in the office, and he was married and she was single, they fired him.

Q. With regard to these things did Mr. Cartiglia respond at all?

A. He said if you want rules and regulations I will come back to you on December fifth. With regard to the rules and regulations I will get back to you on December fifth.

Q. Did he say anything to you about the pension plan?

A. He made notations on it.

Q. He said he would get back to you?

A. Right.

Q. Did he get back to you?

A. He never got back to elaborate on the rules or regulations or anything.

Q. After that meeting was there anything else that you recall at that meeting?

[95] A. That particular group?

Q. Yes.

A. Everybody seemed to have a little to say, but it didn't make an impression on me.

Q. Did anyone say more than you did?

A. I don't think so.

Q. After that meeting did there come a time when you got a pay raise?

A. Yes.

Q. When was that?

A. Shortly afterwards.

Q. In what month as best as you recall?

A. I think about December.

Q. How much did you get at that time?

A. Forty-five dollars a month.

Q. Did you get any pay raise after that?

A. Yes, another one in April. Either March or April.

Q. How much did you get at that time?

A. Sixty dollars or 45.

Q. Who is Richard Hicks?

A. He is one of unit managers in the Baldwin office.

Q. Did there come a time when he had a conversation with you?

A. Yes.

Q. When was that?

[96] A. After the June meeting, after the meeting the next day I came into the office and he said to me—

Mr. Lederer: Wait; before we have any conversations relating to Mr. Hicks presumably in June of '72.

Mr. Appell: Yes.

Mr. Lederer: Can we fix the time and place and who was present?

Mr. Appell: Yes.

Q. You say it was when you came in. Do you remember what time it was?

A. The time of the day?

Q. Yes.

A. I would say in the morning, maybe nine o'clock, ten o'clock.

Q. Who else was present, anyone?

A. No, they were walking around and talking.

Q. Where did Mr. Hicks speak to you?

A. Right in the office.

Q. What did he say to you?

A. Who was at the meeting last night. He said we know who was there.

Q. What did you say to that?

A. I said how did you find out about the meeting. He said, we know.

Q. Did there come a time when Mr. Hicks had other [97] conversations with you?

A. Prior to that time, yes, along the same lines.

Q. When was that?

A. May and April meetings, the next day.

Mr. Lederer: I object and ask this last remark be stricken as being prior to the—certainly the April matter being prior to the 10(b) date, period and the May date potentially being prior to that 10B period.

Judge Sarrica: Will you establish the dates.

Q. Do you remember the date of the June meeting that you had?

A. I believe it was June fifth or sixth?

Q. Do you remember the date of the May meeting?

A. May fourth or fifth.

Q. What did Mr. Hicks say to you after the May meeting?

Mr. Lederer: Objection on the basis this is clearly outside the 10B period.

Judge Sarrica: I overrule it subject to establishing that it relates to the latter conversation.

Q. What did Mr. Hicks say after the May meeting?

A. How did the meeting go last night?

Q. What did you say to him?

A. I said fine.

Q. Do you remember when that was, what time of the [98] day?

A. In the morning.

Q. Do you remember who was present?

A. No. It was a quick conversation, standing up talking, getting ready for the day's work.

Q. Where did it take place?

A. In the Baldwin office.

Mr. Lederer: I would like to renew my objection. Now it revealed the time of that meeting was prior to the 10B period. And I ask that the testimony be stricken on that party.

Judge Sarrica: I will withhold a ruling on it subject to his connecting anything said at this time with what was said later.

Q. You testified that Mr. Hicks spoke to you after the June meeting?

A. Yes.

Q. How many days after the June meeting was it?

A. The next day.

Q. Did there come a time when you had a conversation with Eddy Fowler?

A. Yes.

Q. Who is he?

A. Ed Fowler was my manager at the Baldwin office [99] before he was transferred.

Q. Where was he transferred, do you know?

A. I believe he went to an office called Hollis.

Q. When did Mr. Fowler speak to you?

A. In June of 1971 after the June meeting.

Q. June of what year, sir?

A. June of 1972?

Q. Yes.

A. June fifth meeting we had it up in the Hicksville Motor Lodge and I left that night, the meeting place and went down to a diner in Belmore.

Q. What was the name of the diner?

A. East Bay Diner.

Q. What time did you get there?

A. It must have been after ten o'clock.

Q. You met Mr. Fowler there?

A. Yes.

Q. Was anyone with you at the time?

A. No, I met him sitting there.

Q. Did he speak to you?

A. Yes.

Q. What did he say to you and what did you say to him?

A. I had a cup of coffee and I said that I came back from the meeting and we discussed it briefly and he said, you know, the company knows who is going to these [100] meetings and as soon as the union folds their tent everybody is going to be fired.

Mr. Lederer: I cannot hear.

Q. Did you say anything else to him that you now recall?

A. No.

Q. Did he say anything else to you that you now recall?

A. No.

Q. Did there come a time after that when you saw Mr. Fowler and Mr. Lostella?

A. Yes.

Q. When was that?

A. That was I believe either the end of June of '72 or July of '72. I went down to Nathan's restaurant.

Q. In what town?

A. In Ocean Side, Long Island.

Q. Yes.

A. I was working for the company.

Q. You were working for what company?

A. Alistate on an outside assignment, and I went down to Nathan's on Long Beach Road in Oceanside and I had a frankfurter and a coke.

And at that time I was reading one of the fliers or letters I got from the union, and I was sitting down [101] there, Mr. Fowler came in with Mr. Lostella.

Q. I show you General Counsel Exhibit 6 and ask you if you could identify that.

A. Right.

Mr. Lederer: May I see that, please?

Mr. Appell: Yes.

Q. I ask you to identify this.

A. Yes, that is the one that I was reading, one like it that I was reading.

Q. Okay. What time of the day was this, about?

A. Well, I left the Baldwin office around 12:15, 12:30, and I was going to Long Beach which is south of Baldwin.

And I stopped off at Nathan's for a frankfurter and coke and Lostella came in with Fowler, and they sat down beside me and I got through reading the flier.

Q. Did anyone see you reading it?

A. I don't know. But I discussed it with them.

Q. What did Mr. Fowler and Mr. Lostella say and what did you say?

A. He said are you going to attend it and I said I don't know.

Q. Do you recall if they said anything else at that time?

A. No, basically that was it. Mr. Lostella didn't [102] say anything. Mr. Fowler said it.

Mr. Lederer: I move to strike the testimony that was given on the basis that there is nothing in the complaint charging this man, Mr. Fowler and through him with improper interrogation either in the complaint originally or as amended.

Judge Sarrica: I overrule that objection.

Mr. Lederer: I wish to point out that it goes beyond the complaint and therefore is improper.

Judge Sarrica: I will point out, 1E. Is there any area of complaint that this went to? Are there any other areas that this went to?

Mr. Lederer: 1E is not referred to in interrogation.

Judge Sarrica: I am speaking of surveillance.

Mr. Lederer: I don't think this conversation is susceptible to that implication and that is why I objected to it on the basis that it would only go to the matter of pure interrogation.

And there is no allegation that Mr. Fowler committed improper interrogation.

Mr. Appell: I would say, Your Honor, that this testimony falls within the purview of paragraph 1E of the complaint as amended.

Judge Sarrica: The objection is overruled. But [103] at this time I want to ask are you going to ask more questions with respect to the interrogation following the May meeting and the June meeting by Mr. Hicks? I had ruled on his objection in that respect.

Mr. Appell: I see. I don't believe I had anything else in mind. The June period, for example, is within the 10B period.

Judge Sarrica: Yes.

Mr. Appell: The instances of Mr. Hicks speaking with Mr. Hansen in May, while outside the 10B period is proper background evidence involving the unfair labor practice that did occur—I am sorry, the May six conversation, on or about May sixth may well be within the 10B period. It is exactly six months from the date.

Mr. Lederer: It is more than the six months by proper count. And the evidence is more susceptible to the interpretation that it was on the fifth rather than on the sixth.

Judge Sarrica: I will permit it as background evidence and also for a further consideration of whether or not the dates are inclusive.

And I want to look into that.

Mr. Lederer: I wonder if the Law Judge could keep her voice up a little bit.

Judge Sarrica: I am sorry.

[104] Can you proceed now?

Q. After the discussion with Mr. Fowler in the presence of Mr. Lostella did there come a time when Mr. Larry Deanor spoke to you?

A. At that time when I left Nathan's restaurant, I proceeded to go on my call to Long Beach.

Q. Yes.

A. I was out on the road about two hours and a half, and I called up Larry Deanor and Larry called my house, and I called my wife to see how the kids were.

And she said you better call Larry Deanor; he wants to talk to you.

And I thought it was an assignment. I called up Larry, and he said to me where did you have lunch today, Eddy and I said in Nathan's in Oceanside.

He said who did you have lunch with, and I said I met Fowler and Lostella, and he said what did you discuss?

I said what are you talking about, are you talking about the union? I said did he tell you that. He said Eddy Fowler called

up Mr. Cartiglia and Cartiglia called up Don Belger and Belger came out of the office and got ahold of Deanor.

And they, to get ahold of me, asking how come I am going to these union meetings and participating in [105] the union meetings when I am the only man on the outside with this plum job.

The only man driving around was me and that was considered a plum job.

Q. Do you recall what else Mr. Deanor said at that time?

A. He said who the hell are you working for, Eddy Fowler or Don Belger and me?

Q. Do you recall what else he said to you?

A. He said if you are going to be with the union you could forget about this to put you on the outside in the company car and you are the only man on the outside. Everybody was on the inside.

Q. Do you recall if he asked you anything else?

Mr. Lederer: I am going to object and ask that the last remark be stricken in so much as there is no allegation in this complaint as amended against Mr. Deanor for any purpose other than alleged interrogation, and I don't think the last remark goes to interrogation at all.

Judge Sarrica: Objection overruled.

Q. Do you recall whether Mr. Deanor asked you anything else at this meeting, at this time I should say, on this call?

A. No. I don't recall what further conversation I [106] had with him at the time.

* * * * *

[117] Q. Did there come a time after that when you had a conversation with Mr. Ed Fowler?

A. Yes.

Q. Do you remember where that was?

A. East Bay Diner in Bellmore on Merrick Road.

Q. What time?

A. In the evening.

Q. On what date?

A. Around November 29th, around the Thanksgiving period there.

Q. Was anyone else present besides you and he?

A. My little son.

Q. What is his name?

A. That is Billy Hansen.

Q. How old is he?

A. Fifteen.

Q. Did Mr. Fowler speak to you at that time?

A. Yes, I was walking into the diner with my son and he was walking out.

Q. What did he say to you and what did you say to him?

Mr. Lederer: Objection. This testimony goes beyond the date of the charge filed herein, and there is no charge, no amended charge covering anything to have happened after November 6, 1972.

[118] This allegation now is of something alleged to have taken place November 29, 1972. Under the Board practice this is not admissible without the filing of an amended charge and opportunity given to the respondent to investigate such charges.

Judge Sarrica: I will overrule your objection.

Q. What did Mr. Fowler say to you and what did you say to him?

A. As we walked in Mr. Fowler was walking out, and he had his coat on, and I had my coat on and my son had his coat on.

And we met in the middle of the dining area and shook hands and gave me his condolences as to what happened to me.

I said they used my wife's coat as a subterfuge. He shook his head and walked out.

Q. Did he say anything to you?

A. He said, well, he said, the company knows who attends the union meetings, and they know exactly who goes there and attends them.

Q. Did he say anything else?

A. Not that I could recall.

He mentioned the fact all the fellows going to the union meetings will be fired eventually.

Q. Did he say anything else to you?

[119] A. Not that I recall.

Q. Did you say anything else to him?

A. In essence that is what I said. I worked 12 years with the company and they use this subterfuge, talking about my wife's coat, because I was attending union meetings.

* * * * *

[183] EDGAR HANSEN, having been previously duly sworn, resumed and testified further as follows:

Judge Sarrica: You remember you are still under oath.

The Witness: Yes.

Direct Examination

By Mr. Appell:

Q. Mr. Hansen—

Mr. Appell: I should like the reporter to mark this card as GC Exhibit 23 for identification.

(Document referred to marked General Counsel's Exhibit 23 for identification.)

Q. Mr. Hansen, I show you GC Exhibit 23 for identification and ask you if that is your signature at the bottom.

A. Yes, it is.

Q. Is the handwriting on the card your handwriting?

A. Yes.

Q. The date that appears there, is that the date you signed it?

[184] A. Yes.

Q. Do you remember where you were when you signed the card?

A. Yes.

Q. Where?

A. At the Baldwin office.

Q. Whom did you return that card to?

A. I was given a card by Peter Trapp.

Q. Who is he?

A. One of the men at the Baldwin office who is interested in getting a union started and I went out to lunch to Nunley's.

That is an outdoor type restaurant in Baldwin and at that time were just discussing Local 365 and he gave me the card.

Q. Did you sign it there?

A. No.

I went back to the office and signed it there.

Q. Whom did you give the card to or where did you send it after that?

A. I gave it to Mr. Quinn at one of the meetings.

Mr. Stickler: Is there a date on the card?

Mr. Appell: Yes.

I offer GC Exhibit 23 into evidence.

[185] Mr. Lederer: I object on the basis that a card signed by Mr. Hansen which is in no way connected up, and I am assuming it will not be connected up with any issues in this case, so it is of no relevancy or materiality herein.

Judge Sarrica: The objection is overruled.

GC 23 is hereby received.

(General Counsel's Exhibit 23 for identification was received in evidence.)

Q. Mr. Hansen, was anyone else present when you filled out that card?

A. I did it on my desk in the Baldwin office.

Q. Was anyone in the office?

A. Yes.

Q. Who?

A. There was a full staff there as far as I can recall.

Q. Any supervisors present?

A. I don't know if they saw me sign the card.

Q. How many people work in your office room, actual office room?

A. In the Baldwin office?

Q. Yes.

A. I think between 90 and 100 people.

Q. Do you have your own desk?

[186] A. Yes.

Q. How many supervisors are in that office?

A. At the time I signed the card?

Q. Yes.

A. Maybe ten.

Q. In addition to Mr. Deanor and Mr. Belger, were there any other supervisors?

A. Mr. Brown and Mr. Siracasano.

Q. Do you know the first name of that individual?

A. I think it was Lou.

Q. Do you know his title?

A. At the time I think he was a supervisor.

Q. And Mr. Brown?

A. Supervisor.

Q. Did there come a time when you told any of the employees in your office that you signed a union card?

A. Yes.

Q. Who?

A. They had common knowledge of it.

Q. Who?

A. Peter Trapp, I told him.

Peter Trapp knew I signed a card.

Q. Who else?

A. I'm not sure.

[187] At the time I think Freddie Cantwell. I might have mentioned it to him.

Q. What was Mr. Trapp's job at the time you signed the card?

A. He was a fire adjuster and he was very active in getting a union started.

Q. When you say he was very active, can you explain that?

A. Soliciting, inviting me out to lunch and talking about the union and wanting to get something started.

Q. During what period of time did he talk to you about the union?

Was that the first time he spoke to you when you signed the card?

A. No.

Q. How long before that had he spoken to you about the union?

A. Several times prior to it.

Q. Did there come a time would you say when Mr. Trapp stopped talking to you about the union?

A. Yes.

Q. About when was that?

A. Well, I would say that he was the most anxious individual to get a union started and was outspoken regarding getting a union started.

[188] Q. Did there come a time when he stopped talking to you about the union?

A. Yes.

Q. When was that?

A. The early part of 1972.

Q. Well, you signed the card on April 14th?

A. Right.

Q. Does that refresh your recollection as to when he stopped talking to you about the union?

A. He was promoted out of adjuster ranks and they made like an announcement like it was an unusual promotion that it was never done often or seldom done.

Q. When was that, to the best of your recollection, that the announcement was made?

A. Maybe May.

Q. Who made it?

A. I believe Mr. Belger called everybody in the group up to the office like it was very common and he said, we have an

announcement to make, that Peter Trapp was promoted out of adjuster ranks into some kind of a classification that's too many out of the ranks of the adjusters.

Q. Do you know what his title was thereafter?

A. He was transferred from Baldwin up to Huntington to Mr. Cartiglia's area.

Q. Did you ever speak to him after he was transferred [189] there?

A. No.

Q. After that announcement was made, did Mr. Trapp ever speak to you about the union again?

A. No.

Q. Did you ever hear him speak to anyone about the union again?

A. Never.

Q. Did you ever see him attend a union meeting after that?

A. No.

* * * * *

[194] Q. Do you recall who else, if anyone, that you told that you signed a card for the union?

Mr. Lederer: I know that question has been asked and answered several times.

Judge Sarrica: I am going to permit the question.

A. Who else?

Q. Yes.

A. Knew I signed a card for the union?

Q. Whom you told that you signed a card.

A. In the Baldwin office?

Q. Yes.

A. Mr. Wylonis.

I believe I told him I signed a card also.

[195] Q. Wylonis?

A. Yes.

Q. Anybody else?

A. Peter Trapp.

* * * * *

Cross-Examination by Mr. Lederer

[204] Q. I'm going to ask you to take a look at this 18-page document purporting to be your signed written sworn statement to Mr. Frank Sanes on the 30th day of November.

It does not give the year. I presume that would be 1972, however, and I ask you whether it contains your signature on the 18th page.

A. 17 pages, yes.

Q. 17 pages.

A. You said 18.

Q. The above was 17 and this is 18. This is the 18th page.

A. I read the above statement of 17 pages.

Q. Yes, at least the first 17 pages was what you were talking about.

A. I signed the 17th page, yes.

* * * * *

[208] Q. There isn't any statement by you in that affidavit that you gave to Mr. Sanes in November of 1972 that you told Mr. Schachner that it was a short coat, is there?

A. No.

* * * * *

Q. Mr. Hansen, I show you this document which has been marked Respondent's Exhibit 1 and ask you if you have ever seen that before.

A. This letter here?

Q. It is a copy of an original.

Have you ever seen that document before?

A. I don't recall seeing it before.

I never saw this before.

Q. Do you recall meeting a second time with Mr. Sanes at the NLRB in connection with this case on or about December 27, 1972?

A. December 1972, right.

I don't know the exact date.

Q. I show you a document purporting to be your signed statement sworn to, four pages signed Frank Sanes, [209] board agent, date December 27, 1972, and ask you if that fourth page contains your signature.

A. It does.

Q. So that does the refresh your recollection as to the date you saw Mr. Sanes in December?

A. What is the date, December 27th, yes.

Q. When Mr. Sanes talked to you on that date he told you, didn't he, that he had received a letter from the attorneys for Allstate?

A. I believe he did.

Q. He told you at least some of the things that were contained in that letter?

A. I believe so.

Q. Is that right?

A. I believe he did.

Q. In your statement to Mr. Sanes given on that date, didn't you state, "He asked me to describe the coat and I said that it was a three-quarter length black diamond head ranch mink."

A. Three-quarter length on my wife.

Q. Did you make this statement to Mr. Sanes on or about that date?

A. Yes.

* * * * *

[214] Q. You spoke to Mr. Belger in October of 1971 in reference to your claim for the loss of this coat, is that correct?

A. Yes, I did.

Q. Was anyone else present when you and he spoke?

A. If I remember, I was in an office beside his office on the phone negotiating with an attorney, and someone came in and said, Don wants to see you about your wife's coat and I turned around and ran in and that was it.

Q. Was anybody else there besides Mr. Belger when you came in?

A. There were a few people in the office.

Q. There were others?

A. I think.

Q. Do you know who they were?

A. No.

I'm not sure if anyone else was there or not.

Q. Did Mr. Belger ask you if you could get him a receipt for the coat?

A. I remember him asking me if I have a receipt on me and I said no.

[215] Q. Did he ask you if you could get him one?

A. I don't recall asking to get one.

He asked me if I had a receipt on me and I said no.

Q. Did you volunteer to get another receipt?

A. I think I could do it, get one, I said.

Q. What did he say?

A. It was not that kind of a conversation because I was on the phone and I was getting back to it. It was about his section.

Q. What did he say?

A. I don't recall.

Q. Are you sure that you volunteered that you think you could get him one?

A. My wife keeps all the papers and that is what I told him, I believe.

Q. You don't remember then?

A. I don't recall that particular conversation.

Q. Did Mr. Belger ask you what you paid for the coat?

A. I referred to that.

He said to me what was it worth.

Q. I'm asking you whether Mr. Belger asked you what you paid for the coat, not what it was worth.

A. No, not in that terminology.

Q. Did Mr. Belger ask you what the coat cost you?

[216] A. No.

Q. Didn't you, on December 27, 1972, make the following statement under oath to Mr. Sanes of the NLRB, and I quote:

Don asked me, referring to Don Belger, what was the value or price on the coat and I told him \$1,800.

A. The replacement value was \$1,800.

Q. Did you make this statement to Mr. Sanes that I just read to you and I'll repeat it so we are sure you understand the question.

A. Meaning the replacement value.

Q. I'm not asking you what it means.

Did you make that statement?

A. Yes.

Q. Did you answer Mr. Belger what you paid for the coat or what it cost you?

A. I always refer to it as replacement value.

Q. Did you answer Mr. Belger, his question, as to what you paid for the coat?

Mr. Marcus: I object to that. There is no evidence, nothing in the record that Mr. Belger asked that question.

Judge Sarrica: Sustained.

Q. Did you answer Mr. Belger's question as to the price on the coat?

[217] Mr. Appell: Objection.

Judge Sarrica: Overruled.

A. I referred to it as replacement value.

Q. Did you answer Mr. Belger's question as to the price on the coat?

A. I cannot—

Mr. Appell: Objection.

There is no testimony that he was asked about the price.

Judge Sarrica: Overruled.

A. I cannot recall.

Q. Answer the question.

A. I cannot recall.

I referred to it as replacement value at all times.

Q. In answering Mr. Belger, did you tell him what you paid for the coat?

A. No.

Q. Did you tell him the price of the coat?

A. No.

Q. You knew that you had no receipt with you?

A. At the time that he asked me I didn't have it. I was in the middle of negotiations with another attorney.

Q. Yet you didn't volunteer or tell him or answer his question as to the price of the coat?

[218] A. It was an instantaneous conversation.

Q. You did not answer his question as to the price of the coat?

A. No.

Q. Why do you think Mr. Belger asked you for a receipt on the coat?

Mr. Appell: Objection.

Judge Sarrica: Overruled.

A. I have no idea.

Q. What would a receipt on the coat show?

A. The date and the name and the person who purchases it.

Q. It would also identify and describe the coat purchased, would it not?

A. Probably would.

Q. It would also tell the exact amount in dollars and cents that you paid for the coat, would it not?

A. It would.

Q. Did Mr. Belger ask you later in August?

A. August?

Q. August 28, 1972, why in October of 1971 you did not tell him what you paid for the coat?

A. I don't recall him asking that.

* * * * *

[228] Q. At that time you didn't tell the company what you paid for the coat?

* * * * *

[236] Q. In this meeting with Mr. Belger on the 19th day of October, 1971, did Mr. Belger ask you how you paid for that coat, in what manner?

A. I cannot recall a conversation along those lines.

As I said, that day it was an instantaneous conversation.

It was a couple of seconds, in and out. I was not listening to conversations at that time.

I had an important call on the phone and I was in the midst of settling a claim and I was anxious [237] to settle it and I don't recall having that kind of a conversation.

Q. You were also anxious to settle your claim for the coat, were you not?

A. Yes.

Q. Do you recall Mr. Belger discussing with you whether or not you paid cash for the coat?

A. Whether he asked me that?

Q. Was there any discussion that you recall to that effect?

Whether or not he asked or did it come up in that conversation?

Did it come up in that conversation?

A. I think I mentioned the fact to him that I paid in cash because I sold that bond.

Q. Actually, you had charged a part of that coat?

A. To hold the coat I had to put a deposit on my charge account.

Q. You didn't tell Mr. Belger that, did you?

A. I was never asked that.

* * * * *

Q. Now, you played no leadership role in the union, did you?

A. Well, I don't know what you call leadership, [241] counselor.

Q. Did you or didn't you play a leadership role in the union?

A. Well, I was active enough to go to the meetings and distribute cards and gave a few fellows cards in the office.

If you consider that leadership then it is leadership.

Q. Do you recall that in your statement, your affidavit given on November 30, 1972 to board agent Frank Sanes you made the following statement, and I quote:

For years there have been discussions among myself and my fellow adjusters about the desirability of our joining or forming a union.

I would talk to the same extent as would the other guys if the subject came up but I played no leadership role nor was I a particular advocate for or against the union.

Do you recall making that statement to Mr. Sanes?

A. Yes, I do.

Q. Do you recall making the statement to Mr. Sanes that you were not even a particular advocate for or against [242] this union?

A. At the time I wasn't, right.

Mr. Appell: At what time.

I'm sorry?

Q. You recall making this statement to Mr. Sanes, is that right?

A. Could I see the statement?

I would like to refresh my memory on it.

Q. Was it true?

A. I don't understand the question.

I cannot answer it.

Q. You made this statement to Mr. Sanes and I'm asking you was it a true statement.

A. My particular leadership, what do you call leadership?

Q. Were you speaking the truth in this statement to Mr. Sanes?

A. Yes.

Q. Were you speaking the truth in this statement to Mr. Sanes when you said, I played no role—no leadership role?

A. Right.

Q. When was the first union meeting that you attended?

A. I believe it was November 1971.

Q. Are you sure that you went to a union meeting [243] in 1971?

A. I believe that is when the first, when they—when I first started to get the mail.

Q. Are you sure that you went to a union meeting in 1971?

A. I'm pretty sure.

No, I'm not sure now if I went to that particular meeting or not.

Q. Did you go to a meeting, a union meeting, in April of 1972?

A. Yes.

Q. Are you sure about that?

A. Yes.

Q. Did you go to a union meeting in May of 1972?

A. Yes.

Q. Are you sure about that?

A. Yes.

Q. Did you go to a union meeting in June of 1972?

A. Yes.

Q. Are you sure about that?

A. Yes.

Q. Did you go to a union meeting in August of 1972?

A. Yes.

Q. Are you sure about that?

[244] A. I think I made that one. I don't recall making that one or not.

Q. When in your direct examination you stated that you did attend the meeting of August 1972, that was not correct?

A. I said I'm not sure. I cannot recall. I'm trying to think back.

Q. You recall that in your statement to Frank Sanes of November 30, 1972, at page 9, you stated and I quote:

"There were four more meetings held at Hicksville Motor Lodge.

"After the November 19th one was held on May 5th, another on June 5th and one on August 3rd, and the last one September 19th.

"I attended them all except the August 3rd meeting."

Do you recall making that statement?

A. Yes.

Q. Was that true?

A. Yes.

Q. You were not at that August 3rd meeting, were you?

A. I don't believe I made that meeting. That is what [245] I am saying.

Q. You stated definitely to Mr. Sanes that you did not make the August 3rd meeting, is that correct?

A. If it is there and I recall it, I didn't make the August 3rd meeting.

Q. So that this was true at the time that you stated it to Mr. Sanes?

A. Right.

Q. You don't mention in here the April meeting, do you?

A. Is it there?

Q. No.

I show you the paragraph involved on page 9 of your statement.

A. The August 3rd I didn't attend.

Q. How about the April meeting?

A. I didn't go to that meeting.

Q. So when you stated in your testimony earlier that you were sure that you went to the April 3rd meeting that was not correct?

A. The April 3rd meeting was my birthday like yesterday was my birthday and I think I did not attend that.

Q. You did not?

A. That is right.

[246] Q. When you stated earlier on cross-examination that you were sure that you did attend that meeting, that was not correct?

A. That is right.

Q. I would like to go back to page 8 of this document and in respect to the November 18th meeting about which I previously asked you and ask you whether or not you told Mr.

Sanes on November 30th under oath, and I quote on page 8 as follows:

The meeting was held on November 18, 1972 and I was among the same 40 or 50 adjusters, the same 40 or 50 adjusters who attended.

Do you recall making that statement to Mr. Sanes?

A. Yes.

Q. Was that true?

A. Yes.

* * * *

[247] Q. Did you make a statement to Mr. Sanes, the board agent, on November 28th, November 30, 1972, as follows, and I quote:

The meeting was held on November 18, 1971 and was among the some 40 or 50 adjusters that attended the meeting.

[248] A. Yes.

Q. Was that true at the time you made it?

A. Right, yes.

Q. Now, you stated that Mr. Cartiglia came into your office in approximately November of 1971.

Do you recall that?

A. Yes.

* * * *

[251] Q. What did you see Mr. Cartiglia write at this meeting?

A. My name.

Q. I show you the statement that you gave Mr. Sanes on November 30, 1972 and I ask you to pick out where in that statement concerning that incident or any other incident you mentioned Mr. Cartiglia wrote down your name.

I think page 10 is the vicinity of the conversa- [252] tion.

Page 12, I mean is the conversation, but you look through it, all of them, if you will.

A. I say as I was talking Mr. Cartiglia was making notes.

Q. Pardon me?

A. As I was talking Mr. Cartiglia was making notes that I thought the company had a good pension plan.

Q. Yes, sir.

Nowhere in here do you make the statement to Mr. Sanes, do you, that Mr. Cartiglia wrote your name down?

A. No.

* * * *

[253] Q. I believe on direct examination you testified to a conversation you had in June of 1972 in the morning of a particular date after a union meeting with Mr. Richard Hicks.

I believe you testified that Mr. Hicks—strike that.

What was said at this conversation?

First of all, who opened the conversation? How did that conversation begin?

A. It was in the morning and Richard Hicks came over and said, how did the meeting go last night.

And I said, well, in essence I'm not telling you verbatim the wording of it, he said, how did things go, and I said, how do you know about the meeting.

And he said, we know. Words along that line.

Q. That was in June of 1972?

A. Right.

Q. I believe on direct examination you testified that such a conversation took place in May.

Mr. Appell: Objection. The 4th or 5th, 1972.

[254] Judge Sarrica: Overruled.

Q. Do you recall?

A. Well, that was also said.

It seems every time we had a meeting Richard Hicks seemed to know about the meeting the next day.

Q. Did he say the same thing each time?

A. More or less the same lines.

Q. Let's take the June meeting first.

How did this June meeting open?

Mr. Appell: Which meeting, between whom?

Q. You and Mr. Richard Hicks.

A. It was in the morning.

We were getting into the office and it must have been about 9:15 or something like that, getting settled down and we met in the middle of the aisle in the office and he said, how did the meeting last night go and I said how do you know about all these meetings, and he said, we know.

Q. All right.

Now, will you please tell about the June meeting that you had with Mr. Hicks—strike that.

Tell us about the May meeting you had with Mr. Hicks.

Tell us how that meeting started.

[255] A. Very similar to the June meeting.

The next day after the meeting in the morning he let me in the office and we started a conversation and he asked me about the meeting.

Q. Now, I call your attention to again your statement to Mr. Sanes dated November 30th, 1972, and I ask you whether you did not make this statement to Mr. Sanes under oath on that date:

I recall Richard Hicks an assistant manager saying after one meeting, hey, Eddie, I heard you had a meeting last night.

Do you recall making that statement to Mr. Sanes?

A. Yes.

Q. Is that the way the both meetings originated?

A. Well, in essence it was along those lines, right.

Q. This was a true statement as to how those meetings originated. Strike that.

What you told Mr. Sanes on this occasion was the sequence of things and what occurred at both these meetings with Hicks, is that right?

A. Right.

Q. Now, how does it happen that your—in your [256] statement to Mr. Sanes you only refer to one such conversation with

Mr. Hicks and not two and I show you the document, your statement to Mr. Sanes so that you can see it, if I'm not correct in that conclusion?

Judge Sarrica: Do you remember the question?

The Witness: No.

Judge Sarrica: Would you read the question to him?

(Question read.)

A. Well, this incident took place more than once. This is the June, but it also took place in May and April.

Q. You did not tell Mr. Sanes that, did you?

A. I don't think he asked me.

Q. You didn't insist that he add that to his statement, did you, to your statement?

A. No.

* * * * *

Q. Now, Mr. Hansen, you had a meeting or a conversation with Mr. Ed Fowler in June 1972, didn't you?

A. Yes.

[257] Q. Do you recall exactly what day that was?

A. I believe it was about June 5th or 6th. I'm not certain on the date.

Q. That meeting was in the East Bay Diner, was it not?

A. Yes.

Q. At about ten p.m.?

A. Someplace about then.

Q. Could this have taken place later, around June 21st, this meeting?

A. No, I don't think so. It was right after the June meeting when I was up to the union meeting at the Hicksville Motor Lodge.

Q. Is there some event or something that you could point to that would tell you that it was at that time rather than later such as June 21st?

A. No.

I came out of the UAW meeting at the Hicksville Motor Lodge and I came down to the diner.

Q. You had only one such conversation with Mr. Fowler in the diner?

A. No.

Q. You had more than one conversation with him in the diner?

[258] A. Yes.

Q. Did you have a conversation with Mr. Fowler in the diner on June 21st?

A. I don't recall June 21st. It was after the June meeting. I think the meeting was June 5th or 6th, that night.

Q. Now, subsequently around the end of June or early July, 1972, you met Mr. Fowler and Mr. Lostella at Nathan's, is that right?

A. Right.

Q. Approximately what time of the day was that?

A. Well, it must have been around one o'clock in the afternoon.

Q. Would you tell us as you remember it how your conversation with Mr. Fowler started at that time?

A. In Nathan's?

Q. Around the end of June or early July in 1972.

A. I was on the outside working on the outside that particular day and I went down to Oceanside on my way to Long Beach and on my way down there I stopped at Nathan's to get a frankfurter and a coke and I was sitting down there and Vito and Eddie Fowler came by and joined me.

[259] Q. Who started the conversation with you?

A. No. We greeted each other and sat down and started talking.

Q. Will you tell us how the conversation started and then develop it so we see who spoke and what they said?

A. They came over and sat down and I mentioned the fact that I just got something in the mail for a union meeting and Mr. Fowler said are you going to go to it and I said, I don't know.

Q. Is that all you remember?

A. I proceeded to eat and shook hands and I proceeded to go on my job.

I don't recall.

Q. As a matter of fact, you told Mr. Fowler at that time that you had already been to a union meeting, didn't you?

A. Not that day.

That was in the afternoon.

Q. I'm talking about in that conversation.

You told him that you had been to a union meeting, didn't you?

A. I told him that I had been to a union meeting in the first week of June when I met him in the East Bay Diner.

[260] Q. Do you recall making a statement to Mr. Sanes in your affidavit that you signed under date of November 30, 1972 and I quote:

After the June or July meeting I chanced to see Eddie Fowler in an all-night coffee shop.

Eddie had been my supervisor at one time in the Freeport office and he had been promoted to the Islip Terrace office.

Eddie and I had been friendly. He asked how I was doing.

I told him I received a flyer in the mail and that I had been to the meeting.

Do you recall that?

A. This was in Nathan's. Or is that the East Bay Diner?

Q. You stated this occurred after the June or July meeting, is that, was that statement.

A. There was a meeting in June and it finished up at about ten o'clock at night and I went down to the East Bay Diner; that is when I ran into Mr. Fowler down there having a cup of coffee.

Q. This was not the meeting in Nathan's that I just read you the statement you made to Sanes (sic).

That was not with reference to the meeting [261] in Nathan's

A. I don't remember.

I met him in Nathan's later on around the end of June or July.

Q. I show you your affidavit again of November 30th and ask you whether or not you told Mr. Sanes anything about your meeting at Nathan's with Mr. Fowler.

A. This particular meeting took place after the June 6th meeting at night at the all-night diner in Bellmore.

Q. So that is the first conversation that you related at the diner, is that correct?

A. True.

That is right.

Q. All right.

Let's make that first conversation.

Is your statement contained in here that I just read you—strike that.

Is your statement contained in the affidavit you gave to Mr. Sanes on November 30, 1972 in reference to that first conversation with Mr. Fowler correct when you said to him:

He asked how I was doing.

I told him that I had received a flyer in the mail and that I had been to the meeting.

[262] A. Right.

Q. Is that correct?

A. Right.

Q. That correctly describes your first conversation that you testified to have taken place in this diner with Mr. Fowler?

A. That is the June '61, right.—June '71.

Q. Now, do you find anywhere in your statement any reference to a conversation with Mr. Fowler at Nathan's Restaurant?

A. No, it is not mentioned here.

I don't see Nathan's mentioned here.

Q. How do you account for the fact in your affidavit to Mr. Sanes you did not mention this meeting with Mr. Fowler at Nathan's?

A. I thought it was in there. I thought he copied it down.

Q. Is it your testimony that you recalled what you testified on the witness stand concerning the conversation at Nathan's

which you said at the time took place the end of June or early July 1972 after you gave your affidavit of November 30, 1972 to Mr. Sanes?

A. The first meeting was in June and then I chanced to meet him in July of '72 in Nathan's.

Q. You did not remember that meeting at Nathan's [263] when you spoke to Mr. Sanes, did you?

A. I mentioned it to him. I told him about it, yes.

Q. Why didn't you put it in your affidavit then?

A. He wrote it up.

Q. Didn't he give you an opportunity to add to that affidavit anything necessary to complete your statement?

A. No.

He read it and I signed it.

Q. But, did Mr. Sanes tell you that you had the right to add anything to that statement that you wished to properly complete the statement in order to accurately reflect what took place?

A. I don't recall him telling me that.

Q. When you left Nathan's I understand that you had a conversation over the phone with Mr. Deanor, is that correct?

A. Yes.

Q. Will you tell us how that conversation began, who said what to whom?

A. When I left Nathan's at one o'clock I proceeded to go on my call to Long Beach and after working a few hours, maybe three o'clock I called up my home and—

Q. Excuse me.

I don't mean to stop you but will you tell [264] how the conversation you had with Mr. Deanor began?

A. I called him up.

Q. I'm not asking now about what you may have said to somebody else or what they said to you; only about your conversation with Mr. Deanor.

A. He asked me whom did I have lunch with that day and

I told him I met Eddie Fowler and Vito Lostella in Nathan's in Oceanside and he said, what did you talk about, and I said, well, what do you mean.

He said, did you tell them that you got a letter from the union and I said, did he tell you that.

He said, yes, he called up John Cartiglia on you and John called up Mr. Belger and Mr. Belger came out to me, meaning Larry, to find out if I was going to the union meetings and if I was in the union.

If so, he said, you have a plum job with the company. You're the only one on the outside and they don't like that.

Q. Do you recall in your affidavit to Mr. Sanes that you gave to Mr. Sanes, under date of November 30th, 1972, your statement as follows:

I quote from page 14 thereof:

When I got home that night I got a call from my assistant manager Larry Deanor.

He seemed very excited. He said that Belger [265] the office manager was having him call.

Larry wanted to know why I had not told them about the union meeting, why I had instead told Fowler, the manager of another office.

He said—strike that.

End of quote.

Do you recall having told Mr. Sanes that under oath on that day?

A. Yes, but it was in the daytime.

Q. Do you recall that?

A. Yes.

Q. Now, I show you this statement and ask you whether wherein Mr. Deanor talked about your job being a plum job and you're going with the union or any of the things you have just testified to prior to my reading you that statement?

A. It says here that Larry wanted to know why I did not call him about the union meetings, why I instead told Fowler, the manger of another office.

Q. That is true, isn't it?

A. Right.

Q. Mr. Deanor did not say anything to you about a plum job at that conversation, did he?

A. Yes, he did.

Q. Why didn't you say so in your affidavit to Mr. [266] Sanes?

A. It wasn't necessary.

Q. What do you mean it was not necessary?

A. I—

Q. Would you like to tell what you mean by that?

A. I told him the facts as it happened.

Q. What you told Mr. Sanes was what happened, wasn't it?

A. Right.

Q. And anything else that you might have thought about since was not what happened on that day, was it?

A. That is not true.

Q. Why didn't you tell it to Mr. Sanes then?

A. We had a conversation along those lines and he copied down what he thought was relevant.

Q. You had an opportunity to add to the statement Mr. Sanes prepared in which he took from you, but you didn't add anything to the statement at this point, did you?

A. No.

Q. As a matter of fact—strike that.

What Mr. Deanor was complaining about in that conversation was not that you were active in the union but that you were telling Fowler instead of telling Mr. Deanor and Mr. Belger about the fact there was [267] to be a meeting, a union meeting, isn't that correct?

A. No.

Q. Yet that is what you told Mr. Sanes, is it not?

A. They were interested in me not being in the union.

Q. You didn't tell Mr. Sanes in your statement, did you, in your affidavit of November 30th?

A. No.

Q. You told Mr. Sanes in your statement of November 30th that—what you told him was I arry wanted to know why you had not told them about the union meeting, why you had instead told Fowler.

Isn't that correct?

A. Also he did say that they didn't want me in the union being that I was an outside man in a plum position.

Q. Why didn't you tell Mr. Sanes that if this took place in the conversation with Mr. Deanor?

Mr. Appell: Objection. Argumentative and it's been answered in any event.

Judge Sarrica: Sustained.

Mr. Lederer: I think the record needs further explanation on that point if I may be persistent because I think that the discrepancy is such that perhaps the board and certainly the judge would want to, [268] in analyzing this record, to know just how this incident falls into the whole picture and I still would like to get a definitive answer if we could from this witness as to how it happens that this statement was made under oath in the hearing today which was directly contradictory to the one given to Mr. Sanes.

I think that is a circumstance which would call for a very careful exploration.

Judge Sarrica: I rule that it has been adequately covered for a very purpose that you suggest.

Mr. Lederer: All right.

As long as the Judge is satisfied, I am.

Judge Sarrica: All right.

* * * * *

[269] Q. I'm asking you what, if anything, else you found in here concerning your conversation with Mr. Deanor other than what I previously read to you in quotes?

A. I don't find anything else.

Q. As a matter of fact, there is nothing else in this statement concerning your conversation with Mr. Deanor, is there, that is in your affidavit to Mr. Sanes?

A. No.

* * * *

[275] Q. I believe you also testified that Mr. Fowler told you in this November 29th conversation that the company knows who attends union meetings, exactly who goes there and who attends.

A. Yes.

Q. Do you recall making that statement on direct examination?

A. Yes.

Q. I ask you to look at your affidavit of November [276] 30th to Mr. Sanes and to tell whether or not that statement appears anywhere in your affidavit.

A. I said I have been fired by the company because I signed a union card.

He told the company. He told me the company had the names of all the people who had signed the cards and they all sooner or later were going to get fired.

Q. Yes, but as to the question that I just read you is there anything in your affidavit?

A. No.

Q. As a matter of fact, Mr. Hansen, you signed this affidavit just one day after you talked to Mr. Fowler, is that correct?

A. Is the date there?

Q. November 30th.

A. Where is the date?

Q. Here.

A. Could be.

Q. Yet—

Mr. Marcus: What was the answer?

A. Could be. Could have been.

Mr. Marcus: All right.

Q. Yet, - Mr. Hansen, nowhere does it appear in your affidavit to Mr. Sanes that you told Mr. Fowler that the [277] company knows who attends union meetings, exactly who goes there and who attends.

Mr. Appell: Objection, answered already and argumentative.

Judge Sarrica: I'm sorry. I was not listening to the question because I have another question.

Did you say one day talking about the date of discharge and November 30th being the next day?

Mr. Lederer: No, the date of this conversation with Mr. Fowler.

Judge Sarrica: Oh.

Will you please read the question back so that I can rule on the objection?

(Question read.)

Judge Sarrica: The question—the objection is on the basis that has been answered already.

Mr. Appell: And argumentative.

Judge Sarrica: I will overrule it.

I will overrule it on the basis I am not sure it's been answered and we will have an answer to make sure.

A. Could I have the affidavit back?

Q. Read it back.

Mr. Appell: He wants the affidavit.

Mr. Lederer: I beg your pardon. [278] I misunderstood.

A. What was the question? Read it back to me, please?

(Question read.)

A. In my affidavit I state that.

Q. No, Mr. Hansen.

Will you answer whether or not what I have just asked appears anywhere in your affidavit?

A. It does not.

Q. The answer is no?

A. Right.

Q. Going back for just a moment to your conversation with Mr. Schachner, did he ask you for a receipt or evidence of ownership?

A. I don't recall if he asked me that or not.

Q. He may have?

A. I don't recall if he asked me that or not.

* * * *

Redirect Examination

By Mr. Appell:

* * * *

[281] Q. There was some testimony that Mr. Belger was present when Mr. Cartiglia spoke to you in a group, is that correct?

A. Yes.

Q. Did Mr. Belger walk in with your group or was he already in the room?

Mr. Lederer: I'm going to object to the form of the question as leading and attempting to put the answer in the mouth of the witness.

Judge Sarrica: Overruled.

Mr. Stickler: May I ask what date? I believe Mr. Cartiglia spoke on more than one occasion.

Judge Sarrica: Do you have the date?

Mr. Appell: I believe it was testified to as being November of 1971.

By Mr. Appell:

Q. At that time, Mr. Hansen, was Mr. Belger part of the group that walked in with you or was he already in the room?

A. As best I can recall the meeting was announced like the day before that Mr. Cartiglia was coming down to see the people in the office and the following day, the day of the interviews or meetings, we were taken in a small group of eight, ten fellows, girls and ladies, [282] and placed in a little room.

Q. Who took you in the room?

A. Our supervisor said, Hansen, McGovern, Mr. Ruisi, let's go.

Q. Who is the supervisor.

A. Don Belger suggested that we go into the room.

* * * * *

[295] CAREN CRAMER, was called as a witness by and on behalf of the Employer and, having been first duly sworn, testified as follows:

Direct Examination

Q. (By Mr. Lederer) State your full name?

A. Caren Cramer.

Q. Where do you live?

A. 2761 First Place in Baldwin.

Q. By whom are you employed?

A. Allstate Insurance Company.

Q. At what location?

A. Baldwin service office.

Q. What is your position or job there?

A. I am the Casualty Claims Representative Supervisor.

Q. What does that entail?

A. Telephone claim handling.

Q. On September 29th, 1971, did you occupy the same job with the same company?

A. No, I did not.

Q. Will you please tell what your job was and at what location?

A. Property TCH examiner in the Baldwin service office.

Q. In Baldwin?

[296] A. Yes.

Q. How long did you occupy that Property TCH Examiner job there?

A. Until February of 1972.

* * * * *

Q. Back on September 29th, 1971, who was your supervisor?

To whom did you report?

A. Thomas Kane.

Q. What was his title at that time?

A. Property TCH Supervisor.

Q. In the same office as you, the Baldwin office?

A. Yes.

Q. Was Mr. Hansen an adjuster in that office at that time?

A. Yes, he was.

[297] Q. Calling your attention to the 30th day of September, 1971, did you on that day have occasion to dial Mr. Schachner?

Mr. Appell: Objection, leading.

Judge Sarrica: Overruled.

The Witness: I called Mr. Arthur Schachner that day.

Q. (By Mr. Lederer) Will you please tell what prompted you to call him?

A. Mr. Hansen had come over to me with a homeowner's loss report and he gave it to me and told me that he had recently purchased a fur coat for his wife and before she even had a chance to wear it, he had to send it back because of some kind of a minor alteration to Kleins and Kleins in shipping it through United Parcel or Parcel Post lost it or it was stolen.

He told me that he was very upset and I said that I felt badly and he said that he bought it for her as a present and was very anxious to have it taken care of.

I asked him if he had a floater on it since he didn't [298] know if it was lost or stolen and he said that he did. He had taken it out recently when he purchased the coat and that he had insurance on the coat for \$1,800.

He wanted to know exactly how we would proceed.

I said that I would set up a file and call Mr. Schachner and he would talk to Mr. Hansen about the coat and to do some investigation for us.

I told him I had to get information from him and I asked him when he purchased the coat and he said to me—

Q. Before this conversation with Mr. Hansen, did you have a conversation with Mr. Schachner?

A. No, I did not.

Q. Proceed.

A. I told Mr. Hanson in order to set up a file, I would have to get basic information from him and I asked Mr. Hansen the standard questions that we ask on a claim such as this.

I asked him when he purchased the coat and he gave me a date some weeks before the time he was talking to me and he told me he purchased it at Kleins.

I asked him how much he paid for the coat and he said that he paid \$1,800.

I asked him what the coat looked like and he said it was a full length mink coat and I also asked him if he will please bring me the bill and he said that he didn't [299] have one.

I asked him for a copy of the cancelled check and he told me that he paid cash for the coat.

I told him that I would set up the file now and that he shouldn't expect me to get his coverage too quickly because it was a new floater and it comes in over a computer.

I said that I would request it and he said that if I had any trouble, I could speak to Mr. O'Neil.

I said, "If there is any problem that is what I will do, and I will set up the file and get it started and call Mr. Schachner who would be in touch with him."

Q. After that, what did you do?

A. Well, I did a little paper work on it and I was getting ready to call Mr. Schachner and I saw Mr. Hansen was talking to Mr. McLoughlin and he had his phone number and he had spoken to Mr. Schachner and had dealings with him before, so I called Mr. McLoughlin over and said, "Can you give me Mr. Schachner's phone number?" He said, "I will talk to him about it. I know about it. Just dial the number for me" and he gave

me the number and I called him and I said, "Hello, Mr. Schachner, this is Miss Cramer from Baldwin. Mr. McLoughlin wants to speak to you," and I handed the phone over to Mr. McLoughlin.

I didn't speak to him.

* * * * *

[336]

Redirect Examination

Q. (By Mr. Lederer) When you talked to Mr. Belger about what Mr. Hansen had said to you about the coat, what did you tell him?

Mr. Marcus: May I have the conversation identified perhaps by date or approximately the date?

Q. (By Mr. Lederer) Subsequent to the discharge of Mr. Hansen.

A. Mr. Belger told me Mr. Hansen had been discharged and he told me that it was because of the claim and I was very [337] surprised and I asked him what happened and I also said, "It's amazing, the man told me," and I repeated what he told me the coat cost him, \$1,800, and he had a full length coat and that I had understood that he paid cash and had no bills and that was essentially it.

I was very surprised so I was kind of taken back.

* * * * *

[344] JOSEPH J. McLOUGHLIN, was called as a witness by and on behalf of the Respondent and, having been first duly sworn, was examined and testified as follows:

Direct Examination

Q. (By Mr. Lederer) What is your name and address?

A. Joseph McLoughlin, 30 Schoolhouse Road, East Islip, New York.

Q. Mr. McLoughlin, will you please state your full name for the record, please.

A. Joseph J. McLoughlin.

Q. You have given your address.

A. Yes, I have.

Q. By whom are you employed?

A. The Allstate Insurance Company.

Q. Where?

A. In the Commack district claims office.

Q. What is your position there today?

A. I'm the IAU manager.

Q. Will you tell us what that means?

A. Yes.

[345] My unit receives all claims that come into the office, both casualty, property; and we handle and dispose of a great many of these files.

Q. Did you occupy the same position in September and October of 1971?

A. No, I did not.

Q. Were you with the Allstate Insurance Company in September and October 1971?

A. Yes, I was.

Q. Where did you work, and in what capacity?

A. In the Baldwin service office as the office property claim supervisor.

* * * * *

[358] ARTHUR SCHACHNER was called as a witness by and on behalf of the Respondent, having been first duly sworn, was examined and testified as follows:

Direct Examination

Q. (By Mr. Lederer) Have you given your full name?

A. Yes, I have: Arthur Schachner.

Q. Mr. Schachner, what is your address, please?

A. My home or business address?

Q. Home address.

A. 473 Dayhill Road, Brooklyn, New York.

Q. Are you self-employed?

A. Yes.

Q. Will you please tell us of what your business or businesses consist?

A. I'm a manufacturer of furs, and I also am called in as an expert by insurance companies or by the fur association if there is any disputes or losses.

I act as an arbitrator sometimes when there is a dispute between quality or character of furs.

Q. Do you act as an investigator, as you have testified, [359] for any companies other than Allstate Insurance Company?

A. Yes, I do.

Q. Approximately how many?

A. About half a dozen other companies.

* * * * *

[368] Q. Calling your attention to the 30th day of September 1971—

A. Yes.

Q. —or let's say on or about that day, in the vicinity of that day, what, if any telephone conversation did you have with reference to a claim against Allstate Insurance Company?

A. I believe Mrs. Cramer called me and said that they have a loss of a fur garment by one of their employees, and she said that the coat was just insured a short time earlier, and that it was lost in shipping it back to the main office of Klein's.

Mr. Appell: Will you keep your voice up.

The Witness: I'm sorry. I'm a little hoarse, and I have a little difficulty raising my voice.

A. (Continuing) And I said, "Well, if you want to give me some information on this particular garment, I'll check on it."

She said, "One moment," and I believe Mr. McLoughlin spoke to me and said that the man works in this office and [369] he's right here; he'll tell you about the coat.

I began to ask questions of when the coat was purchased.

Q. Then you spoke to the man Mr. McLoughlin put on the phone and identified to you as who?

A. Mr. Hansen.

Q. All right.

You spoke to the man that was so identified. What was said in that conversation by him and by you?

A. I said to him, I said, "I'll have to see your wife."

He said, "My wife doesn't know anything about the coat, that I don't know because she's never worn the coat. We just bought it." He said that, "I took it back to Klein's to have the pockets fixed, and it was lost when they were shipping it back to the main office of Klein's furrier."

I began to ask him details concerning the coat, because he said there wouldn't be any value of seeing his wife. I asked if it was a natural coat or dyed coat, and he said to me it was a dyed coat, dyed mink.

And I said, "What size is your wife?" And he said, "About an 18 or 20."

I said, "What did you pay for the coat?" And he said, "I paid \$1800 for the coat."

I said, "Do you have the bill?" He says, "No. I don't know what I did with it."

[370] And I said, "Did you get an appraisal?" And he said, "Yes, I got an appraisal from Klein's."

I says, "What is the amount of the appraisal?" And he said, "\$1800."

I says, "You said that you paid 1800." And he said, "That is what I paid, and that is what they appraised it at."

* * * * *

[374] A. Well, Mr. Hansen had told me the coat was a dyed coat, and I know dyed coats at that time were not selling anywhere near \$1800, even though he told me it was a full length coat and it was a larger size.

So, a few days later, I had occasion to be around 14th Street where Klein's has another store, and I stopped in to Klein's on 14th Street and looked in the showcase at what price Klein's was selling full length larger size ranch mink coats.

And I saw they were priced. And I say to the saleslady, "My wife wants to get a coat, and I want to know what price they are." And she didn't know me.

And I looked at the case, and I saw they were selling for 1095, 1295, full length dyed ranch mink coats.

That is all they had. They don't handle a natural coat. That would cost in the neighborhood of \$2,000.

* * * *

[375] So, the following Saturday I believe I was out in [376] Nassau County again, and I went into the store.

It was late in the day, maybe 4:00 o'clock or 5:00 o'clock. The store opens until 9:00. It was a little later in the day.

I didn't ask anybody for anything. I went over to the showcase where the longer ranch mink coats were handled, and the saleslady opened the showcase for me.

And I said, "I'm looking for a coat for my wife," because I wanted to get an idea what they are selling the coat for in the Hempstead store of Klein's. I looked at the case, and I saw they were priced in larger sizes from 1095 to 1295, was the highest priced coat.

I said to the saleslady—she was standing next to me because they don't let you look in the case unless they keep you company, because things disappear.

I said, "Is this the best coat that you handle?" And she said, "Yes, these are the finest coats we handle."

And I took note of that, and I said, "All right, I'll have to come in with my wife. She has to like the style."

And I left. That was on a Saturday evening, toward the middle of September or October.

Q. Of what year, Mr. Schachner?

A. 1971.

* * * *

[378] And I believe Miss Cramer called me and asked me if I had come to any determination, and I said, "Yes. The coat could be replaced today exactly what Mr. Hansen described to me for 1295 plus there was, I believe, 6% tax at that time in Nassau County."

It came out to about \$1370.

* * * * *

[381] Q. If you had been told that the claim concerned a short or three-quarter length coat, what, if any, difference would that have made in your investigation?

A. It would have made a world of difference.

A short coat is called a coat, as I explained before, a coat is anything over 30 inches. And that would make a big difference in the value—of the replacement cost.

I asked Mr. Hansen how long the coat was. And he said a full length coat.

And a full length coat is different to me than a short coat.

I accepted everything that Mr. Hansen said, and that is why I had given a replacement cost of a full length coat.

It would have been altogether different if it was a short coat.

When I spoke to Mr. Miller, I asked him how long the coat was, and he said full length.

I had no appraisal. I had no bill. I had nothing else except what Mr. Hansen told me. And I go back to the furrier always to verify what the insured tells me.

* * * * *

[459] THOMAS KANE, was called as a witness by and on behalf of the Employer and, having been first duly sworn, was examined and testified as follows:

Direct Examination

Q. (By Mr. Lederer) Will you state your full name for the record?

A. Thomas Patrick Kane.

Q. Where do you live?

A. 2320 Sycamore Street, Wantagh, New York.

Q. By whom are you employed and at what location today?

A. Allstate Insurance Company, Baldwin office, Baldwin service office.

Q. What is your position here today?

A. Property TCH Supervisor.

Q. Did you occupy the same position with Allstate Insurance Company in September and October of 1971?

A. Yes, I did.

Q. To whom did you report as your immediate superior in September and October, 1971?

A. To a Mr. Richard Hicks.

Q. What was his title at that time?

[460] A. IAU Manager.

Q. What does that mean?

A. Initial Action Unit Manager.

Q. Do you know who Caren Cramer is?

A. Yes, I do.

* * * *

[465] Q. What was missing from this file?

A. Well, there was no check in the file. We are talking about an \$1,800 purchase.

Q. When you say, "check," what do you mean?

A. Cancelled check, a bill of sale, a credit card statement, any item stipulating when the article was purchased and for what amount.

* * * *

[468] A. Well, I read Mr. Schachner's report and after reading his report, seeing a coat that was purchased, and according to Mr. Schachner's report, for \$1,800, and Mr. Hansen claiming that he didn't have a bill for it and it was purchased two weeks ago, a short time period from the loss, it just didn't seem very feasible to me whatsoever.

This man had no proof of ownership or nothing along these lines.

I felt that before this claim could begin to be processed or go any further, we would have to have some kind of proof along these lines of what Mr. Hansen paid for it and proof of ownership that he actually owned this article.

I had had the information, like I said, relayed to me that there was an appraisal, but this doesn't mean that he owned it. It meant at one time he took it and had an appraisal made. He could have taken insurance out and never owned the article.

* * * *

[469] Q. (By Mr. Lederer) Having made the evaluation which you just indicated here, what, if anything, did you do then?

A. Well, I felt Mr. Hansen would have to be questioned and I felt that if I started proceeding on this, Mr. Hansen might feel we were questioning his integrity and I personally, like Mrs. Cramer, did not want to question Mr. Hansen.

Mr. Hansen was a casualty man which is an entirely different department. He wasn't under me and Mr. Hansen was many years my senior and his department and mine were two different units and a casualty man did not appreciate a property man questioning him in length and I would actually be starting to question his integrity.

I am not stating that Mr. Hansen at any time had told me the coat cost \$1,800. From reading his report I assumed it cost \$1,800 and I had no proof of it in the file and I felt I would be questioning his word based on Mr. Schachner's report.

* * * *

[470] Q. What, if anything, did you do then?

A. I saw Mr. Hicks and I said to him, I explained to him that I felt that I had Mr. Hansen's file and I told him that and I told him that I felt we should speak to Mr. Belger on it be-

cause I felt that it was in a very sensitive area and I wished to speak to him and Mr. Belger about the file.

At this time, Mr. Hicks was busy and he told me to go into Mr. Belger's office and speak to him on it. I proceeded into Mr. Belger's office.

Q. Did Mr. Hicks come in to Mr. Belger's office after you got in there?

[471] A. Mr. Belger and me reviewed the file.

I discussed with him what I felt the problems were on the filed and then he asked me to go out and get Mr. Hicks and then we discussed it with Mr. Hicks.

Q. Will you please tell us what was said between you and Mr. Belger in his office before you went out to get Mr. Hicks?

A. I went into Mr. Belger's office and explained to him that I felt this file was not documented properly whatsoever. It seemed almost impossible to me that somebody could pay \$1,800 for a coat, and I stated to Mr. Belger that Mr. Hansen paid \$1,800 for the coat and does not have a bill, a receipt, cancelled check, credit card statement, something to show that he even purchased such an item.

And I also relayed the message to him that even if we do get this proof of loss, that Schachner's report, Schachner's report stated that he went over to Kleins to investigate about a coat that was just purchased two weeks ago and they refused to aid us in trying to service a customer of theirs and ours.

They would not show him a coat like that or cooperate in any way with the investigation which we were handling at the time which I felt was very unlikely—

Mr. Appell: I move to strike out, "which I felt very unlikely," unless that is what the witness said.

[472] Judge Sarrica: Did he say that?

The Witness: I cannot say, yes, to that.

Judge Sarrica: Sustained.

Q. (By Mr. Lederer) Proceed.

A. I explained to Mr. Belger we would have to have some type of proof for the amount of purchase and that the purchase occurred.

I also said to Mr. Belger that I felt, from reading Mr. Hansen's report, to start questioning him on this, if he started denying it and if I started questioning him he might feel I was questioning his integrity and word and he is a fellow employee and I felt I was not at a level in the company to even proceed at this level with any diplomacy and still be able to make an effective statement to Mr. Hansen that he must do this.

Q. Did you and Mr. Belger say anything else to one another before Mr. Hicks was brought in that day?

A. I did say to Mr. Belger that I felt that something was definitely wrong with this file, that I felt the file just didn't make sense to me and I had never seen anything come through like this before.

Q. Then, did you go and get Mr. Hicks?

A. Yes, I did.

Q. Did a conversation follow in Mr. Belger's office involving you, Mr. Hicks and Mr. Belger?

[473] A. Yes, we reviewed the facts with Mr. Hicks.

Q. Tell us what was said, as you remember it.

A. We explained to Mr. Hicks the sensitivity involved in this as far as the documentation being missing on this file and explained to Mr. Hicks that we needed proof of ownership.

Q. Were you the one doing the talking or Mr. Belger at that time?

A. It was both as far as explaining.

Mr. Belger started off and then I came in more or less on the technical end in explaining certain parts of it as far as a cancelled check is concerned.

Q. Differentiate and tell us who spoke.

A. Mr. Belger was talking to Mr. Hicks and explained to Richie the sensitivity involved here and he explained to him about the lack of proof of ownership in the file and explained to him that we were not able to get any cooperation from Kleins at that time when Mr. Schachner went over there.

He explained to him, he conveyed to him, that I felt that I did not want to question him and that I felt Mr. Belger

should do that because we had to have diplomacy at this time.

I injected that even if we get the bill of sale on this item and the proof of ownership that Mr. Schachner [474] could not find any coat over there for over the value of \$1,370. It was \$1,800 that Mr. Hansen claimed he paid for the coat. Even with documentation, there was going to be, this was going to be an overly sensitive situation.

Q. Was anything else said at that time?

A. Not to my recollection.

Q. After that do you recall whether or not Mr. Hansen was called in?

A. Mr. Belger asked me to go out and get Mr. Hansen in.

Q. What was Mr. Belger's title at that time?

A. District Claims Manager.

Q. As District Claims Manager was he the highest man in authority, that is the man in highest authority in the Baldwin office at that time?

A. Yes.

Q. Did Mr. Hansen come in?

A. Yes, he did.

I went out and told Mr. Hansen that Mr. Belger wanted to see him in the office on his coat and Mr. Hansen was on the phone and I left him and went back into the office and Mr. Hansen followed shortly.

Q. How long after you left Mr. Hansen at the phone did Mr. Hansen follow you into Mr. Belger's office?

A. I could just state that I know I walked in and was sitting down when Mr. Hansen walked in. I don't remember [475] that particular incident.

Q. Was Mr. Hicks in the office during this conversation with Mr. Hansen?

A. Mr. Hicks was sitting directly opposite me.

Q. Will you please tell as nearly as you can remember starting with the beginning, if you can, what was said and designating the person speaking in each instance in that conversation?

A. Mr. Hansen came into the room and he was very, very casual as far as talking and it was simply talking, talking about it, and then they started off on personal things which I knew nothing about. He was speaking to him as a friend, more or less, and then the first statement which I can remember Don Belger making after this was, "Ed, the reason I brought you in here was to discuss your wife's claim on the fur coat, the claim on your wife's fur coat."

Ed then answered, "I would like to try to get this wrapped up," and he seemed very pleased that Mr. Belger was going to try to handle his claim.

So, Mr. Belger then presented the facts and saying to Ed, "Ed, you paid \$1,800 for this coat. We have no bill of sale in there. We have no cancelled check, nothing. Don't you have any kind of proof of ownership?"

Mr. Hansen made a statement at this time, "I already told Caren and I have told a number of people already that I lost the bill of sale. [476] I don't have the bill of sale and I cannot get another one."

We asked him repeatedly about these items and the questioning went back and forth along these lines.

Mr. Belger then pointed out and asked Mr. Hansen at this time, "Why didn't you make the collection, why didn't you collect the money or get the coat back from Kleins," and Mr. Hansen replied that he felt that the length of time would be greater trying to get it back from Kleins than collecting through his own carrier. He did not stipulate the length of time that was involved. He felt he could collect faster from Allstate.

Mr. Belger then came back and asked Ed Hansen, "Didn't you even pay part of this by check, the smallest amount, some part by check, just even part of it or charge part of it, something that we could get to have some kind of a bill of sale on, some kind of record of proof of ownership?"

Ed replied that he paid the full \$1,800 in cash. He stated he sold a stock. I don't remember the name of the stock. "I sold the stock and this is how I got the money," that is what he said.

We then said to him along the same lines as I prior stated and the conversation kept going back and forth over this, the fact that he paid for the full thing, that is what he said, the full amount, \$1,800 in cash and not one [477] part was put on a credit card or a check, nothing, no record whatsoever on this purchase of an \$1,800 item and he insisted he paid in cash.

As the questioning continued along these lines, Mr. Hansen finally replied, "Is this going to be a typical Allstate employee claim," and he did not go into what he thought the typical employee claim was.

Mr. Belger said, "We are not trying to give you a hard time. We are just trying to document the file. This file is going to go to subrogation and we are going to wind up trying to collect from United Parcel or Kleins and we are going to have some kind of proof of ownership as far as what was lost."

Mr. Hansen replied, "What does Allstate care about what they are going to pay out on this loss, they are going to get the full amount back from United Parcel or Kleins."

We then tried to explain to him that whether this was subrogation or not, the file would have to be in proper order. This statement is not Mr. Belger's exact words. It was a group of statements, an explanation along these lines. That was not a quote as far as the facts go.

It was explained to him that we do need something to indicate proof of ownership. Mr. Hansen then after this lengthy discussion turned to us and said, "Look, I could get you any bill you want. If you insist upon it, I will [478] get it for you. Are you trying to make me get a fraudulent bill? I know some guard over there who retired from the police force or fire department and he could get any bill I want. Are you trying to make me get a fraudulent bill?"

With this, Mr. Belger, his questioning just about ended along these lines and Mr. Belger's answer was basically, "No, we don't want you to get a fraudulent bill. Forget about it, Ed. We are not trying to have you get any fraudulent bill. We want to document the file."

Mr. Belger then proceeded in making an offer to Ed Hansen which was done in a manner which was almost apologetic.

He made the statement—

Mr. Appell: Move to strike the witness' impression.

Judge Sarrica: State what he said.

Q. (By Mr. Lederer) Tell what he said and what emphasis or gestures he may have made.

A. He said, "Ed, I have some bad news for you. I have Schachner's report. According to Schachner's report the best that I could offer you is \$1,370 on this claim."

Without hesitation, Ed Hansen answered and said, "When can I have a check?"

Mr. Appell: Move to strike out, "without hesitation."

Judge Sarrica: Overruled.

Mr. Lederer: That is descriptive of what happened.

Judge Sarrica: Overruled.

[479] The Witness: Okay.

A. (Continuing) With this statement being made, Don Belger then turned to Ed and said, "Ed, you realize that you are taking over a \$400 loss. Why are you so willing to take this settlement?"

Now a discussion continued along this line back and forth and Ed made the statement right after this, "I was ready to be chiseled down by Allstate in my claim," and he actually made the statement, "chiseled down," because it shocked me. I was not ready for it whatsoever.

Judge Sarrica: Spare your reaction.

The Witness: I'm sorry.

A. (Continuing) Chiseled down, and he made a statement that his wife had to go someplace. I don't remember where, and he would like her to have the coat for this affair or wherever it was they were going. I cannot make a statement as to what it was and he said, "I want it for this," and he was willing to take a couple of hundred dollars loss and get her another coat so she would have it for this meeting or affair and it was an anniversary gift and he wanted this over as fast as possible.

This was his explanation at that time.

With that, like I said, it was involving Mr. Belger and Mr. Hansen talking back and forth and I cannot remember the exact words. I could remember certain statements that [480] stick out in my mind.

In closing Ed Hansen asked Mr. Belger when he could have a check and Mr. Belger said, "You shall have it today," and the file was settled at \$1,370 in the office.

Q. What activity did Mr. Hansen at this time normally perform in his role of an adjuster?

A. I could state—

Judge Sarrica: Will you establish that he know what activities Mr. Belger did?

* * * *

[481]

Cross-Examination

* * * *

[499] Q. If Mr. Hansen said to you that he paid \$840 for the coat, but it was appraised for \$1,800 and Mr. Schachner then went out and did make the investigation that he attests to in the bottom part of his letter to Mr. McLaughlin that is the investigation he made, he believes the coat is worth \$1,295 plus tax coming to \$1,370.40, what would have been the amount of recovery for Mr. Hansen?

Mr. Lederer: I object unless the witness is given an opportunity to answer the question more broadly. How would this have altered the situation, not how much would have been paid because the witness might very well believe and answer nothing would have been paid.

Mr. Appell: In which case the answer would be, zero.

Judge Sarrica: Overruled.

The Witness: There is another factor involved. You have got Mr. Schachner who stated he used part of his appraisal as information. That is how he established the \$1,370. It was not established by the payment of this such and such a type coat

by description. It was based on the coat that we could find in the area.

I will answer the question if you state that it is a hypothetical case and we are talking about a fur that Mr. Schachner from description or from a proper appraisal has [500] arrived at \$1,370 and Mr. Hansen paid \$800 for it and not from the information that Mr. Schachner had to use for the appraisal of this coat.

Then I will answer your question.

Judge Sarrica: With that caveat, what is your answer?

The Witness: We would have paid the \$1,370 but not from this report.

Q. (By Mr. Appell) Take a similar question.

If Hansen said to you, "I paid \$840 and the coat was appraised by Mr. Schachner for \$2,000, "what would be the amount of recovery?

Mr. Lederer: Objection. Again, unless the question is properly stated in context, I object to it. This precludes the witness from making the proper answer because it presupposes that anything would be paid under those circumstances as described which limits the witness to such an extent that it is an improper question. It is like questioning a man and asking, "When did you stop beating your wife?"

Judge Sarrica: Overruled.

Answer the question.

A. Are we now considering the fact—we are not talking about this file? The file is in complete order?

Q. Yes.

[501] A. I would have more than \$2,000 worth of coverage on this fur?

Q. Yes.

A. He would be paid \$2,000.

Q. If the figure were \$3,000 instead of \$2,000 and everything else was the same amount and there was sufficient coverage, the amount would be \$3,000; is that correct?

A. Yes.

Q. Would it be fair to state that the price that the assured paid does not affect the amount of recovery?

Mr. Lederer: Objection. Not only isn't it fair to state but on its face, it is ridiculous and that is why the question is improper.

Judge Sarica: Overruled. He may answer.

The Witness: Could I have the question again, please? (Whereupon, the pending question was read back by the Reporter.)

A. No it would not.

Q. (By Mr. Appell) How does it affect the recovery?

A. It would affect the investigation which would affect the recovery.

Q. How?

A. How?

Q. Yes.

A. Are we talking about this matter this particular [502] file, or a general hypothetical again?

Q. A hypothetical.

A. If you want it on this file, I could give it to you.

Q. To your knowledge, did anyone from Allstate ever try to ascertain other than through Mr. Schachner the amount—strike the word, "amount," the type of payments that he made?

A. Yes.

Q. Who?

A. Mr. Belger.

Q. When did he do that?

A. On the date the payment was made. That is all I know. I don't know the date.

Q. Do you know the approximate date?

A. It was in October, I believe. October or November.

Q. To your knowledge, did anyone make such inquiry of anyone other than Mr. Hansen?

Did anyone from Allstate make an inquiry to anyone other than Mr. Hansen?

A. No.

Q. Did Mr. Belger ever ask Mr. Hansen if he had told Schachner he paid \$1,800?

A. No.

Q. Is it your testimony, to your knowledge, Allstate accepted Mr. Schachner's representation that he had asked [503] Mr. Hansen and was told \$1,800 was the price?

A. No, that is not my recollection.

Q. What is your recollection?

A. Don Belger asked him if he paid \$1,800 for the coat.

Q. He asked that to Mr. Hansen?

A. Yes.

Mr. Appell: May I ask that my last question before this one be read back to the witness?

Judge Sarrica: Yes.

(Whereupon, the requested question was read back by the Reporter.)

Mr. Appell: I move that Mr. Kane's answer be stricken as not responsive to my question.

Judge Sarrica: I won't strike it. I want a complete record.

Mr. Lederer: I wish to point out at this time this could be highly confusing to the witness because a clear and succinct re-reading of the questions and the answers might show that.

Judge Sarrica: Will you clarify the area that you are asking about.

Q. (By Mr. Appell) Did anyone, to your knowledge, ask Mr. Hansen if he had told Mr. Schachner he had paid \$1,800?

Mr. Lederer: That question was asked and answered. The witness answered, No.

* * * * *

[525] RICHARD HICKS, was called as a witness by and on behalf of the National Labor (Petitioner, Respondent, Intervenor, General Counsel) Relations Board and, having been first duly sworn, was examined and testified as follows:

Judge Sarrica: Please be seated.

Direct Examination

Q. (By Mr. Lederer) So that we will have no difficulty facing one another I want to be sure that Mr. Hicks realizes that the position of the court reporter is such that Mr. Hicks will please sit in a position where he can always see me and I can see him, okay?

A. Fine.

Q. (By Mr. Lederer) Thank you. Will you state your full name for the record, please?

A. Richard Hicks.

Q. Where do you live, Mr. Hicks?

A. I live at 11 Jefferson Boulevard, Port Jefferson Station, New York.

[526] Q. By whom are you employed and at what location?

A. Allstate Insurance Company, in Baldwin.

Q. Baldwin, Long Island?

A. Yes.

Q. And what is your position there now?

A. I am an initial action unit manager.

Q. Were you employed by the Allstate Insurance Company in September and October, 1971?

A. Yes.

Q. Were you also employed by Allstate Insurance Company in June and July of 1972?

A. Yes.

Q. Would you please tell first whether or not you occupied the same position with the company that you do now in the Baldwin Office in September and October 1971?

A. Yes, I did.

Q. And is the same true of June and July 1972?

A. Yes.

Q. All right. Now, calling your attention to approximately October 19th, that is on or about October 19th, 1971, did you attend a meeting at which Mr. Edgar Hansen was present on or about that date?

A. Yes, I did.

Q. Will you please tell what happened that day with reference to the meeting with Mr. Hansen from the time the matter on [527] that day first came to your attention?

A. Well, Tom Kane, who is supervisor in my unit, approached me sometime in the morning, I believe and said that he had a file which Ed Hansen had put in a claim for a lost fur coat. He said he had a problem with the file in that there was a discrepancy in the file and he'd like to discuss it with me and Mr. Belger, who is the office manager. So I said well fine. I think we ought to talk to Mr. Belger. And proceeded to go into Mr. Belger's office.

Q. Now, when you went into Mr. Belger's office who else was there and who were you with?

A. I was with Tom Kane and Mr. Belger.

Q. All right. And will you please tell what was said in Mr. Belger's office with just the three of you present?

A. Okay.

Mr. Appell: Objection.

Judge Sarrica: Overruled.

A. Tom Kane told Mr. Belger that he had Ed Hansen's file and there was a problem with it in that the file reflected that Ed Hansen paid eighteen hundred dollars for the coat but Mr. Schachner's report indicated another price on the coat and Tom suggested that we get Ed Hansen into the room and ask him about it. So Mr. Belger agreed that we ought to. And that was it.

Q. All right. After that conversation, what did you do?

[528/529] A. Well, I remained in the office and Tom Kane, I believe went to get Ed Hansen.

Q. Then will you please tell what occurred as far as you know?

A. Well, Ed Hansen came into the room and Don Belger asked him—

Q. Now wait a minute.

A. Yes?

Q. Did you go right from Mr. Belger's office into this room in which the meeting took place with Mr. Hansen?

A. I was already in the room.

Q. Oh, you were already there?

A. Yes.

Q. You had never left the room—

A. No.

Q.—until after Mr. Hansen had come in, is that correct?

A. Right.

Q. Who was present when Mr. Hansen came into the office and who if anyone accompanied him into Mr. Belger's office?

A. He came in alone and there was Ed Hansen, myself, Tom Kane, and Don Belger.

Q. All right. Will you please tell what was said in the conversation at that time?

A. Well, Don Belger started the conversation and he said Ed, I have your file here, and we have a discrepancy here in [530] that you say you paid eighteen hundred dollars for the coat, yet, Arthur Schachner's report indicates that the most expensive coat he could find was only valued at around I think it was twelve or thirteen hundred dollars. And Don Belger asked Ed do you have a bill, bill of sale for this coat. And as I remember Ed replied that no, I don't have a bill, is this going to be another one of these employee claims? And Don said, no, I mean, I don't want to give you any trouble on it. I just wanted to ask you if you had a bill. Then Don asked him how much did you pay for the coat, Ed? And Ed replied, that he

had paid eighteen hundred dollars, he had sold some stock to raise the cash and that he paid the eighteen hundred dollars in cash. And then Don said, well, Ed, I could only offer you what Art Schachner found at Klein's and I think it was thirteen hundred seventy dollars. So Ed Hansen replied, well I will take it. Don Belger said, well how come your going to take a loss on this, and Ed Hansen replied, well I expected to take a beating on this anyway, so I will take the money. And that was about the end of it.

Q. All right. Now, I forgot to ask you, did you occupy the same position that you do now with Allstate in the Baldwin office in May of 1972?

A. Yes.

Q. All right. Now, calling your attention specifically to the month of May, 1972, did you have any conversation with [531] Mr. Hansen during that month in which you asked him or in exact words or in substance, "how did the meeting go last night?"

A. No, I didn't.

Q. Now, calling your attention to the month of June 1972, did you have any conversation with Mr. Hansen in which you asked him in words, in exact words or in substance, "who was at the meeting," meaning a union meeting?

A. No.

Q. Did you have any conversation with Mr. Hansen during the month of June 1972, in which you said to Mr. Hansen in exact words or in substance, "we know about the meeting," meaning the union meeting, "we know who was there"?

A. No.

Q. Did you have any conversation with Mr. Hansen during the month of June, 1972, in which you said to him in exact words or in substance in answer to a question, "how did you find out who was at the union meeting?" "We knew"?

A. No.

Q. Mr. Hicks, did you have any conversation during April, May, June, July, August, September, October, November, or December of 1972, with Mr. Hansen in respect to the union?

A. No, I didn't.

Mr. Lederer: I have no further questions.

* * * *

Cross-Examination by Mr. Appell

[533] Q. Now, there was some discussion in this meeting about is this going to be another employee claim. Had you previously handled employee claims in the past?

A. Yes.

Q. To your knowledge, was an employee ever fired because of a—any kind of question concerning his own claim?

A. Not to my knowledge.

Q. Was there anything that you ever saw in Hansen's claim file where he put in writing that he paid eighteen hundred dollars for the coat?

A. No.

* * * *

[542] Q. Well, did you discuss the union in any way with other members of management?

Mr. Lederer: I am going to object. This question presupposes that any discussion of the union whatsoever would be anything unnatural or unusual in view of the fact that the witness has already testified that there was a, at least a conversation in regard to a letter or a hand bill being sent out by the union. This couldn't possibly go to any issue in this proceeding, this last question.

Judge Sarria: Overruled.

A. Could I have the question repeated?

Mr. Appell: Could the reporter kindly read the question back?

(Record read.)

A. Yes.

Q. With whom?

A. Mr. Belger.

Q. When was that?

[543] A. I would say in the fall of '71.

Q. Did you discuss it with anybody else from management that you recall?

A. Maybe Tom Kane.

Q. When was that?

A. Approximately the same time.

Q. Was this in addition to the time that he told you that one of the adjusters told him of a flyer?

A. I don't remember if it was the same time or a different time.

Q. Where did you discuss the matter with Belger?

A. As I remember probably in his office.

Q. Did you discuss it with him after that time?

A. I don't think so. I don't remember.

Q. Did you ever discuss it with Mr. Wolfe?

A. No.

Q. Did he ever discuss it with you?

A. No.

Q. Mr. Belger is the highest ranking member of management in your office, is that a fact?

A. He was.

Q. I see. Until when?

A. I think until around December of '72.

Q. Where is he now, do you know?

A. He is in the Bronx claim office.

Q. Does he have the same title?

[544] A. No. I believe he is a senior district manager.

Q. Is that a higher title?

A. Yes.

Q. Well, did you ever find out about future union meetings after in the fall of '71, after that time? Did there ever come to your attention there were more union meetings?

A. No.

* * * *

Q. To your knowledge, did there come a time when union meetings [545] stopped taking place?

A. Not to my knowledge.

Q. Was Mr. Cartiglia's letter or letters about the union left on your desk as well?

A. I don't think so.

Q. When did you read it?

A. I believe somebody showed it to me.

Q. Who was that?

A. I believe one of the clerical girls.

Q. What did she say?

A. She asked me what it was all about because she hadn't heard of anything about any unions.

Q. And what did you say to her?

A. I said it was a communication from Mr. Cartiglia, who was the regional claim manager, which may answer any questions that you have.

Q. Did you say anything else to her?

A. I don't think so.

Q. Did you know in advance what it was?

A. No, I didn't.

Q. On what basis did you answer her question?

A. Well, I read over the letter.

* * * *

[546] Q. How often does Mr. Cartiglia visit your office or did he at the time, I should say, in 1971 and 1972?

A. I would say 1971 and 1972 maybe quarterly.

Q. Do you remember a time when he met with employees in Baldwin?

A. Yes, I do.

Q. Where you present at that meeting?

A. Yes, I was.

Q. Do you recall any mention of the union at that meeting?

A. No.

Q. What was discussed at that meeting?

A. Well, Mr. Cartiglia asked—he had small groups and I was in one of the small groups, and he asked the people present whether they had any particular problems that they wanted to talk about.

Q. Did any of the employees answer?

A. Yes.

Q. Was Mr. Hansen in your group?

A. I don't think so.

Q. Did Mr. Cartiglia mention that if the employees had a union they might be giving up their right to come to management directly about working conditions and wages?

A. No.

[547] EDWIN R. FOWLER, was called as a witness by and on behalf of the National Labor Relations Board (Petitioner, Respondent, Intervenor, General Counsel) and, having been first duly sworn, was examined and testified as follows:

Judge Sarrica: Please be seated.

Direct Examination

Q. (By Mr. Lederer) State your full name for the record please?

[548] A. Edwin R. Fowler.

Q. Where do you live, Mr. Fowler?

A. 5 Marlboro Place, Bellemore, New York.

Q. By whom are you employed and at what location?

A. Allstate Insurance Company, Islip Terrace service office.

Q. Were you employed by the Allstate Insurance Company in June, July and November of 1972?

A. Yes.

Q. Where you employed at the same location that you are now during all those dates?

A. May I have the three dates again please?

Q. First, June of 1972?

A. Yes.

Q. July of 1972?

A. Yes.

Q. November of 1972?

A. No.

Q. Where were you employed in November?

A. Excuse me, that's my mistake.

Q. Pardon me?

A. In June and July, I was in the Hollis service office.

Q. Hollis service office?

A. Hollis service office. In November I was in the Islip Terrace service office.

Mr. Marcus: November of which year?

Mr. Lederer: '72 is the only year I inquired about.

[549] Q. (By Mr. Lederer) What is your job today?

A. District claim manager of the Islip Terrace Service Office.

Q. All right. And did you occupy that same job in November of 1972?

A. Yes.

Q. What job did you occupy in the Hollis Service Office in June and July of 1972?

A. District claim manager.

Q. Do you know Mr. Edgar Hansen?

A. Yes, I do.

Q. How long have you know him?

A. Seven years approximately.

Q. At one time were you and Mr. Hansen in the same office?

A. Yes.

Q. And when was that, and what office?

A. It was the Freeport Service Office. I believe it was 1965, '66 and '67. I may be a little bit off but—

Q. What was your position in the Freeport Service Office during those years?

A. Superintendent.

Q. And what if any relationship reporting wise or otherwise was there between you and Mr. Hansen during those years?

A. No direct reporting to me.

Q. All right. Now, calling your attention to the month of June, 1972, did you have any conversation with Mr. Hansen—

A. Yes.

[550] Q. You did?

A. Yes.

Q. Now, calling your attention to that month, did you have any conversation with him in which you said to him in exact words or substance, "the company knows who's going to those meetings," meaning union meetings, "and soon as the union folds, everyone will be fired"?

A. No.

Q. Did you have a conversation with Mr. Hansen in which the subject of the union meetings came up in June of 1972?

A. Unions came up.

Q. All right. Approximately what date or dates did you have any such conversation or conversations with Mr. Hansen?

A. June the 21st.

Q. Was that the only such conversation you had with him during June of 1972?

A. Yes.

Q. Was anyone else present?

A. No.

Q. Where was that—where did that conversation take place?

A. East Bay Diner in Bellemore.

Q. Will you please tell what you remember was said during that conversation as nearly as you can remember?

A. I was eating dinner alone. Eddy came into the diner, came to my table, we exchanged salutations, he asked me if [551] I was alone, I said yes. He said if I mind if he sat down.

I said by no means. He sat down, ordered a cup of coffee, and he said to me what do you think about the union? I said, what do you mean? He said, how is it going? I said, things seem rather quiet. He said to me, I receive a great deal of literature from the union at my home, I wonder how they got my address. I explained to him that there are records in the office where this would not be a difficulty. That was the extent of the conversation regarding unions.

Q. Now, calling your attention to the month of July, 1972, did you have a conversation with Mr. Hansen during July, 1972, in which one Vito Lostella was also present?

A. Yes.

Q. In that instance did you have a conversation with Mr. Hansen with Mr. Lostella present in which you asked him in exact words or in substance, "are you going to attend a union meeting?"

A. No.

Q. Did you have any conversation with Mr. Hansen during the month of July, 1972, in which you asked him in exact words or in substance, "are you going to attend a certain union meeting" naming the date or the place?

A. No.

Q. Did you have any conversation with—strike that. When in July did you have a conversation with Mr. Hansen with Mr. Vito Lostella present?

[552] A. July the 28th.

Q. Did you have any other conversation in July with Mr. Hansen?

A. No.

Q. With Mr. Lastella present?

A. No.

Q. All right. Will you please tell the circumstances of the meeting and what was said from beginning to end in that meeting, as you remember it?

A. I met Hansen in the parking lot. Again we greeted each

other. We—I asked him what he was doing there, just—he said that he was on vacation and he had gotten—come out—he was on vacation, he came to get out of the house. He asked me if I knew there was going to be a union meeting and I said no, I did not. He said he got a note in the mail and this note was in his car. And that was the extent of the conversations as it pertained to the union.

Q. After that conversation, what if any communication did you have with anyone in higher management of Allstate?

A. Upon returning to the office later that afternoon I called Mr. Cartiglia.

Q. All right. Now, before telling you what you may have said, will you please tell how it happened that you called Mr. Cartiglia?

A. I returned to the office and called Mr. Cartiglia on the fact that I had just visited an employee in the hospital, [553] a property unit manager, and told him that I had visited this employee and he was in good shape. And I mentioned that I had met Eddy Hansen in the—Nathan's, who was on vacation and he told me there was going to be a union meeting.

Q. Was that the extent of your conversation with Mr. Cartiglia over the telephone at that time?

A. Yes.

Q. Did you have a conversation with Mr. Hansen in November of 1972 in the presence of his young son?

A. May elaborate? (sic)

Q. Well, first of all, did you have a conversation during that month of November with Mr. Hansen—

A. Yes.

Q. —in which his young son was present?

A. Yes.

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[554] Q. (By Mr. Lederer) Do you remember—strike that. In the conversation you had with Mr. Hansen in November of 1972, did Mr. Hansen state in exact words or in substance that he was discharged for union activities?

A. No.

Q. Did Mr. Hansen in that conversation state in exact words or in substance that he was discharged for matters related to union?

A. No.

Q. Did you in that conversation say to Mr. Hansen in exact words or in substance, "the company knows who goes to—who attends union meetings"?

A. No.

Q. In that conversation did you say to Mr. Hansen in exact words or in substance, "all the fellows still going to union meetings will be fired eventually"?

A. No.

[555] Q. Now, will you please tell as nearly as you can remember everything that occurred and what was said in your conversation with Mr. Hansen in November of 1972 when his young son was present?

A. I was on my way out of the diner. I had paid my check and I was on my way out when Mr. Hansen and his son came in. We greeted each other. His son continued on and sat down in a booth next to the counter. Eddy and I stood near the entrance and I asked him how he was, and he said, fine. He asked me how I was. I said, fine. We stood there for a moment rather awkwardly. I then went over to his son, who I had met sometime previously, and shook his hand. Eddy walked over also to where his son was sitting and he said, this—do you remember Mr. Fowler? I shook the son's hand I said it's good to see you looking so well, Eddy, and I left.

Q. And that was the extent of that conversation?

A. Yes.

Cross-Examination

* * * * *

[557] Q. Now, you testified you met Mr. Hansen in the East Bay Diner in Bellemore, is that correct?

A. Yes.

Q. And what was the date of that?

A. June the 21st.

Q. Can you tell the judge how you remember that date?

A. Yes. I had an 18 year old dog that was losing the use of his rear paw, rear leg, and on June the 20th, we took him to the Vet's, he asked us to bring him back the morning of June the 21st. I dropped him off at the Vet's and that evening I picked him up. It so happened that my wife was suffering from a stomach virus, so after picking up the dog, she was in bed. After picking up the dog I went to have dinner rather than go home and prepare my own dinner.

Q. Do you have any bills showing that you went to any place on June 21st?

A. I have a cancelled check for the Vet's.

Q. Aside from the two dates you testified to, did you ever [558] see Eddy Hansen in the East Bay Diner?

A. I met Eddy Hansen occasionally. It would just be a guess. Probably a year or two before that.

Q. And is it your testimony that Mr. Hansen brought up the subject of the union to you?

A. Yes.

Q. Did you know that there was a union campaign going on at the time?

A. Yes.

Q. And how did you know that?

A. I was advised by the company that there was a union campaign on.

Q. And who advised you from the company?

A. Mr. Owens.

Q. And who is he?

A. Home office vice-president.

Q. Did he tell you how he knew about it?

A. No.

Q. Where is his office located?

A. Northbrook, Illinois.

Q. And that's near Chicago, is it?

A. Yes.

Q. And who else advised you about the union campaign?

A. I am not sure I understand advised?

Q. Who else informed you that there was a union campaign going on beside Mr. Owen?

[559] A. Mr. Cartiglia.

Q. When did he advise you of that?

A. At the same time.

Q. When was that?

A. Sometime in 1971. I don't recollect the date.

Q. Was it at a group discussion?

A. Yes.

Q. Who else was present?

A. Mr. Owens, Mr. Dufford.

Q. Who is he?

A. Employee relations personnel manager. I believe that's the title.

Q. Who else was present?

A. Mr. Cartiglia and the other service office managers.

Q. Would it be fair to state that the union was discussed at some length at that meeting?

A. Yes.

Q. Do you remember which union was discussed?

A. I don't know the name of the union. I do know that it was not the complainant in this action.

Q. Was it the American Communications Association, ACA?

A. It's possible but I don't remember.

Q. Now, thereafter did there come a time when you heard about a campaign on behalf of Local 365, UAW?

A. Yes.

Q. And when was that?

[560/561] A. I honestly don't know. I don't know.

Q. Can you give your best recollection?

A. I would say early '72, but it would be just a guess.

Q. And how did that come to your attention?

A. It came to my attention by my immediate supervisor at the time.

Q. Who was that?

A. A Mr. Mannarino.

Q. And what was his title at the time?

A. Division claim manager.

Q. And who else was present when he brought it to your attention?

A. No one.

Q. What did he say to you as best you recall?

A. Best I recall is that he informed me that the United Auto Workers were active in organizing the Allstate Insurance Company adjusters.

Q. Did he tell you any more about it?

A. No.

Q. Did he tell you how he knew?

A. No.

Q. Did he ever talk to you about this subject again?

A. Yes.

Q. When was that?

A. Numerous occasions as to any knowledge I had of activities in my office.

[562] Q. And did he ask you to let him know what you knew?

A. Yes.

Q. And what did you tell him?

A. I told him I would.

Q. Did you in fact give him such information?

A. To the best of my knowledge there was no activity in my office.

Q. Did you give him any information as to what was going on, if anything?

A. Only—

Mr. Lederer: I think the question has been asked and answered.

Mr. Appell: I don't believe it has.

Judge Sarrica: Overruled.

A. Only negatively but there was nothing that I knew.

Q. I see. What effort did you make to find out what was going on?

A. None.

Q. Did any employee—strike that. Would it be fair to state that during 1972 you personally opposed the union coming in at Allstate?

A. Personally?

Q. Yes.

A. Yes.

Q. Would it be fair to state that the company opposed Local 365 coming in?

[563] A. I would say yes.

Q. And who conveyed to you that position?

A. No one actually conveyed that position. That's communication I had arrived at from conversations. Nobody actually said to me that statement.

Q. What conversations are you referring to?

A. Regarding information as to what activities the union was involved in, and the tone of Mr. Cartiglia's letters or memos.

Q. Was Mr. Cartiglia's letters—were Mr. Cartiglia's letters distributed in the office where you were in charge?

A. Yes.

Q. Which office was that at the time?

A. Hollis Service Office.

Q. And how were they distributed?

A. By me personally.

Q. And who instructed you to do so?

A. Mr. Mannarino.

Q. And did you read the letters before you distributed them?

A. Yes.

Q. Did you ever talk to any employees about the letters or their contents?

A. No.

Q. Did there come a time when Mr. Cartiglia met with employees in your office?

A. Yes.

Q. Do you remember when that was?

[564] A. No, I am sorry, I don't.

Q. Were you present when he spoke to employees?

A. Yes.

Q. Do you recall what he said?

A. He asked the employees if they had any problems, if there's anything they would like to discuss with him, anything that they would like to bring to his attention was the purpose for his being there.

Q. Had he ever had such a meeting before employees?

A. In a group?

Q. Yes.

A. No.

Q. Did he tell you he was coming?

A. Yes.

Q. What did he tell you when he told you he was coming?

A. He told me he would be at my office and would I arrange meetings so that we could have small groups.

Q. Did you ask him why he was having these meetings at this time?

A. Not that I recollect.

Q. Did he tell you why he was having these meetings at this time?

A. Not that I recollect.

Q. Do you recall him—any mention of union in Mr. Cartiglia's discussion with employees?

A. Mention of unions in those discussions?

[565] Q. Yes.

A. No.

Q. Did you ever hear Mr. Cartiglia mention union to employees?

A. At a group meeting it was mentioned. I don't know in what context. I do know that it was mentioned.

Q. At the meeting—

A. Not at that meeting.

Q. At another meeting?

A. At another meeting.

Q. When was that?

A. I don't remember.

Q. Was it before that meeting?

A. Before that meeting.

Q. What did Mr. Cartiglia say at that meeting?

A. Well, he told the meeting that he would be back to talk to them at that large group meeting, that he would be back sometime in the near future to talk to them. And I believe—now this is just recollection—I believe that he mentioned that there was some union activities.

Q. And what did he say about them?

A. I don't—I could not quote him.

Q. Do you remember him saying that if the union got in the employees might give up their right to come to the management directly to discuss their problems?

A. I don't remember that.

Q. Were you present throughout the hearing on Tuesday [566] April the third in this room?

A. Yes.

Q. And how about Wednesday, April 4th?

A. Yes.

Q. Thursday, April the 5th?

A. Yes.

Q. All this morning?

A. Yes.

Q. You discuss your testimony with anybody this week—

A. Yes.

Q. —before coming on the stand?

A. Yes.

Q. With whom?

A. Mr. Lederer.

Q. When was that?

A. Yesterday morning.

Q. Who else was present that you discussed it?

A. Mr. Lederer, Mr. Lederer's assistant—

Q. Is that Mr. Stickler?

A. Mr. Stickler.

Q. Yes. Who else?

A. Mr. Lastella and Mr. Cartiglia, to the best of my knowledge that's all that was in the room.

Q. Did you discuss your testimony before yesterday?

A. No.

Q. Have you ever made any written memoranda about any of the [567] conversations that you had with Mr. Hansen?

A. No.

Q. Were you ever advised by anyone from management that the union meetings had ceased?

A. No.

Q. Did you know about the union meeting before Mr. — of—that Mr. Hansen referred to at Nathan's?

A. No.

Q. Before you spoke to him?

A. No.

Q. Did you report it to anybody that he told you there was going to be a union meeting?

A. To Mr. Cartiglia.

Q. Did you report it to any other member of management?

A. No.

Q. Is it possible that you reported similar knowledge to Mr. Cartiglia at any other time?

A. Yes.

Q. When was that?

A. Before a—when the union would send out the mail to the adjusters, a number of them would bring the notice in and give them to either my Supervisor or to me.

Q. And who gave you such material?

A. A number of people in the office. I could not tell you. I didn't keep any track.

Q. You don't recall their names?

[568] A. No, I am sorry, I don't.

Q. Do you recall their identity in any other way?

A. Only that they were adjusters and—I am try to think whether they were property adjusters or casualty adjusters, but I am not sure.

Q. What time or times did you get such reports from employees?

A. On two occasions that I recollect but I don't know the dates.

Q. Can you give approximate date?

A. No, I am sorry. I'd be guessing if I did.

Q. Was it 1972?

A. 1972 I would say yes.

Q. And you did report this information to Mr. Cartiglia, did you not?

A. Yes.

Q. Did you tell him the names of the people who gave you the information?

A. No, I did not.

Q. How did these people come to you?

A. The people—some of them went to their supervisors and some of them just walked into my office and said I got this in the mail and threw it on my desk.

Q. They just did this of their own volition, is that your testimony?

A. Yes, that's my testimony.

[569] Q. Did any employees ever talk to you about signing union cards?

A. No.

Q. Would it be fair to state that everytime an employee, employees advised you of a union meeting that you did inform Mr. Cartiglia?

A. Yes.

Q. How many times was that?

A. Two that I recollect.

Q. And when were they?

A. I don't remember. I only associate them with the fact that on two occasions the adjusters brought me these letters and that's the only way I can associate with calling him.

Q. Did Mr. Hansen tell you what date the union meeting was going to be when you met him in Nathan's?

A. I do not remember.

Q. Did you in fact know that it was August 3rd?

A. No.

Q. What did Mr. Hansen say to you when you met him in June in the East Bay Diner?

A. He, as I related, he came to the booth that I was sitting in, asked me if I was alone, asked me if I mind if he'd join me. And I said, no. He sat down. Asked me what did I think about the union. I asked him what he meant by that. He said, how do you think it's going? And I replied, it's been quiet. He then told me that he gets a great deal of literature [570] from the union at his home and he asked, I wonder how they get my address. And I replied that your name and telephone number and such are available in the office and it's not a difficult thing to do.

Q. Do you have any knowledge how the union got all these names and addresses?

A. No, I do not.

Q. Did you make any effort to find out how they got them?

A. No, I did not.

Q. Who is Vito Lostella?

A. Vito is a casualty unit manager.

Q. At what office?

A. Hollis Service Office.

Q. Where was he at that time?

A. Where was he at that time?

Q. Yes.

A. At that time?

Q. What office. When he and you had the discussion with Hansen, where was he serving at that time?

A. Hollis Service Office.

Q. Is it your testimony that Hansen told you he was on vacation?

A. Yes.

Q. And your sure of that?

A. Yes.

Q. What did he say to you at that time?

[571] A. He asked us if we knew that there was going to be a union meeting.

Q. Had you ever asked him to volunteer such information?

A. No.

Q. And what else did he say to you at that time?

A. We discussed the coming marriage of his son on Saturday, which was a continuation of the conversation we had had in the East Bay Diner in June. His son was going to get married to the best of my recollection on the Saturday following our meeting in Nathan's.

Q. Did he say anything to you about a union notice at that time, in July?

A. Excuse me.

Q. Did he say anything to you about a union notice in July?

A. He told us that he had received a union notice in the mail about a meeting, and that it was in his car.

Q. Did you call Cartiglia immediately when you returned to the office?

A. Shortly after I returned.

Q. How long after?

A. Probably ten, five minutes.

Q. When you met Hansen in November, '72, did you already know that he had been discharged?

A. Yes.

* * * * *

[572] Q. Did you ever see any negative comment about Hansen in any written evaluation?

A. No.

Q. When you spoke to him in November in the diner was there any mention of the fact that he was discharged?

A. No. It was an awkward meeting. We were—I didn't know what to say to him and he didn't know what to say to me.

[573] Q. And he didn't mention to you that he had been fired?

A. No.

Q. What did he talk about?

Mr. Lederer: I am going to object. This has all been gone over by counsel. He asked him exactly what he talked about and the witness related in rhyme and verse for the second time since he has been on the stand exactly what was said in that meeting.

Judge Sarrica: Is this the meeting in the diner?

Mr. Appell: November.

Judge Sarrica: The one in November. Overruled.

A. May I have the question again, please?

Q. What was discussed in the November meeting with Hansen?

A. Nothing was discussed other than hello, how are you, you look well.

Q. How long did your remarks with him and his with you last?

A. Two, three minutes, maybe.

Q. State again what he said to you and what you said to him?

A. We met near the door. He said, hello, I said, hello; how are you, he asked me how I was, I said you look well. I then broke away from that conversation to go over to his son. I shook his son's hands.

Q. How long did it take to go over to his son?

A. Must have been about 15 feet away, 20 feet away. I went over to his son. Shook his son's hand. And he had introduced me to his son. He said you remember Mr. Fowler. And [574] then I broke away, stating that, you know, you look good, nice to see you looking so well Eddy, and I left.

* * * * *

[574] VITO LOSTELLA, was called as a witness by and on behalf of the National Labor Relations Board (Petitioner, Respondent, Intervenor, General Counsel) and, having been first duly sworn, was examined and testified as follows:

Direct Examination

Q. (By Mr. Lederer) Will you state your full name for the record, please?

A. Vito Lostella.

Q. Would you spell it?

A. L-o-s-t-e-l-l-a.

Q. By whom are you employed and at what location, Mr. Lostella?

A. I am employed by the Allstate Insurance Company. At Hollis Service Office, in Hollis, Queens.

[575] Q. And what is your position there today?

A. I am the casualty unit manager there.

Q. And did you occupy the same position in November of 1972?

A. Yes, I did.

Q. Was there an occasion in November 1972 when you, together with Mr. Fowler, visited Nathan's Restaurant?

A. No, there was not. It wasn't July of '72, sir. (sic)

Q. Oh, I am sorry. Yes. Let me ask another question, please. Did you occupy the same position you do now in June and July of 1972?

A. Yes, I did.

Q. Was there an occasion in June or July 1972 when you visited Nathan's Restaurant with Mr. Ed Fowler?

A. Yes, there was.

Q. Was that June or July?

A. It was July of 1972.

Q. And on that occasion did you and Mr. Fowler see Mr. Hansen at Nathan's?

A. Yes, we did.

Q. Did any conversation take place in your presence at that time in which Mr. Fowler asked in exact words or in substance, "are you going to attend a union meeting?"

A. No.

Q. Was there any conversation at that time in which Mr. Fowler asked Mr. Hansen in exact words or in substance, "are you going to attend a specific union meeting", naming a date [576] or a place?

A. No, there was not.

Q. All right. Would you please tell what you remember having been said at Nathan's at that time with you, Mr. Hansen and Mr. Fowler present?

A. Mr. Fowler and I had went to visit an employee in the hospital and following that we went to Nathan's to have lunch. After parking in the rear parking lot we were about to enter Nathan's where we met Mr. Hansen.

Q. Where did you meet him?

A. We met him in the parking lot.

Q. All right.

A. The conversation with Mr. Hansen generally, and to the great extent of the time, was in regard to his son, his son's wedding, and how well his son was doing. As a side issue he mentioned to us that he had received a notice from the union regarding the meeting and he indicated that he was wondering how they got his name and address. Mr. Fowler indicated that it—his name and address would be easily available in the office records, and Mr. Hansen indicated that the notice was in his

car. That was the extent of our conversation. We then proceeded into Nathan's to have our lunch.

Q. Was there any subsequent conversation or continuation of that conversation in which Mr. Hansen was present with you and Mr. Fowler inside Nathan's Restaurant.

A. No, there was not.

* * * * *

[577]

Cross-Examination

* * * * *

[579] Q. Were you aware that there was a union campaign going on in July 1972 when you spoke of Hansen? (sic)

A. Yes, I was.

Q. How were you aware of that?

A. We had had talk in the office about it.

Q. Who was talking?

A. It would be hard to say who specifically was talking. There were various individuals who had coffee discussed the problem. (sic)

Q. And were you present at such discussions at coffee?

A. I have been present at some, yes.

Q. And who else was present?

A. Some of the supervisors. Some of the adjusters.

Q. What are the supervisors names?

A. Mr. Gruner.

Q. How do you spell that, G-r-u-n-e-r? What's his first name?

A. Alfred.

Q. What's his title?

A. Supervisor.

Q. Of what?

[580] A. Casualty supervisor.

Q. Who else, what other supervisors?

A. It's hard to recall. It's—perhaps Tom Mpakarakes.

Q. How do you spell the last name?

A. M-p-a-k-a-r-a-k-e-s.

Q. What's his title?

A. He's also casualty supervisor.

Q. Who else?

A. I don't recall any others.

Q. Which employees?

A. I said I don't recall any others.

Q. Well, the ones you just named were they supervisors?

A. Yes.

Q. And you don't remember the employees, you just remember the supervisors, is that correct?

A. That's right.

Q. But there were rank and file employees present at these conversations too, is that correct?

A. It's possible, yes.

Q. Did they make any statement about the union that you recall?

A. Not that I recall. Just that there was a union active.

Q. Did they tell you the name of the union?

A. No.

Q. Do you remember when these conversations were?

A. Pardon?

[581] Q. Do you remember when these conversations were?

A. The early part of that summer of '72.

Q. June?

A. Yes, it would have been June.

Q. July?

A. Early July.

Q. Possibly May also?

A. I don't recall.

Q. August?

A. Possibly.

Q. September?

A. I don't recall.

Q. Would you say that the discussions stopped after August?

A. I really don't recall.

Q. How did these conversations begin in each instance?

A. Specifically something like to the effect did you hear there was union activity?

Q. And who brought it up?

A. I don't recall who brought it up.

Q. Is it possible the supervisors brought it up?

A. It's possible.

Q. Did you say to any employee did you hear of the union activity?

A. No.

Q. Which supervisors did?

[582] Mr. Lederer: Objection. The testimony was possibly and—

Judge Sarrica: Sustained.

Mr. Lederer:—and not that a supervisor did. I object to the form of the question.

Judge Sarrica: Sustained.

Q. (By Mr. Appell) To your recollection, did any supervisors bring up the matter of union activity?

A. To my knowledge I don't recall, sir.

Q. Is it your testimony that it's possible that they did?

A. It's entirely possible.

Q. Do you recall Mr. Gruner speaking about the union to anybody?

A. To anybody?

Q. Yes.

A. No.

Q. Do you recall your mentioning the union to any of the employees?

A. No, I did not.

Q. How about the other gentleman you mentioned, do you recall him talking about the union?

A. No, I do not.

Q. Do you recall a time when Mr. Cartiglia visited Heine?

A. Yes, sir.

Q. When was that?

A. I don't recall the exact date. I recall him visiting [583] but I don't recall the exact date.

Q. Do you recall the year?

A. It would be 1972, I believe.

Q. Did there come a time when letters were distributed at your office bearing Mr. Cartiglia's name?

A. Yes, there was.

Q. And did they not deal about the union? Or a union?

A. I don't recall the exact content of the letter.

Q. Do you recall a letter about a union being distributed?

A. I don't recall the letter. I remember the letter was distributed. I don't recall the exact contents.

Q. Do you remember how it was distributed?

A. Yes. Mr. Fowler distributed personally to each employee.

Q. Was there more than one letter?

A. No, sir.

Q. Was Mr. Cartiglia's visit before or after that letter was distributed?

A. It was after that letter.

Q. Do you remember how long after?

A. Approximately a month.

Q. Approximately—

A. A month.

Q. Were you present when Mr. Cartiglia spoke to any employees in your office?

A. Yes, I was.

Q. Do you remember what he said?

[584] A. Yes. He asked them in a small group whether they had any problems, and if they had any problems that they would like to discuss with him he'd be only too happy to discuss it.

Q. Could the witness keep his voice up your Honor. I couldn't (sic)

A. Sure. Did you hear the last part of that, sir?

Q. No, I didn't.

A. He asked the employees whether they had any problems and if they had any problems he would be only too happy to discuss them.

Q. Do you recall any mention of a union at that time?

A. No.

Q. Did any employees mention a union?

A. No.

Q. How many groups did Mr. Cartiglia speak with?

A. I can't tell you exactly. There were groups of five and six. How many groups were it's hard to say.

Q. Were you present at each group that was spoken to?

A. No.

Q. Was Mr. Fowler to your knowledge present at each group?

A. To my knowledge he was.

Q. He was?

A. He was.

Q. Before you met Mr. Hansen at Nathan's, did you have any knowledge that he was in any way connected with a union or he thought about the union or spoke about the union or anything along those lines?

[585] A. No, I did not.

Q. Did you have any knowledge as to specific employees who had gone to union meetings?

A. No, I did not.

* * * * *

LAWRENCE DEANER, was called as a witness by and on behalf of the National Labor Relations Board (Petitioner, Respondent, Intervenor, General Counsel) and, having been first duly sworn, was examined and testified as follows:

Judge Sarrica: Please be seated.

Direct Examination

Q. (By Mr. Lederer) State your full name for the record please, Mr. Deaner?

A. Lawrence S. Deaner.

Mr. Appell. L-a-w or L-a-u?

The Witness: L-a-w.

[586] Q. Where do you live Mr. Deaner?

A. 80 Rushfield Lane, Valley Stream, New York

Q. By whom are you employed and at what location?

A. I am employed by the Allstate Insurance Company, Baldwin Service Office.

Q. What is your position there at present?

A. I am a casualty unit manager.

Q. In October, that is September and October of 1971, did you occupy the same position?

A. I did.

Q. At the same office?

A. At the same office.

Q. And in July through the end of August, 1972, did you occupy the same position at the same office?

A. Yes.

Q. Would you please state what your relationship was with Mr. Hansen business wise from October of 1971 through the end of August 1972?

A. Mr. Hansen was a senior casualty adjuster working in my unit, which we call the continuing unit.

Q. That is up to the time of his termination, is that correct?

A. That's correct.

Q. Now, calling your attention to the month of July, 1972, did you have a conversation with Mr. Hansen in reference to union matters or union meetings at or about that date?

A. Yes.

[587] Q. In such conversation—strike that. Did you have any other conversations during the month of July with Mr. Hansen about union matters or union meetings in that month?

A. No, I did not.

Q. All right. In the conversation in July 1972 in which the subject came up of union matters or union meetings, did you ask Mr. Hansen or in exact words or in substance, "where did you have lunch today?"

A. No, I did not.

Q. Did you at such occasion ask Mr. Hansen in exact words or in substance, "with whom did you have lunch today?"

A. No, I did not.

Q. Did you on such occasion ask Mr. Hansen in exact words or in substance, "what did you discuss?"

A. No.

Q. Did you on such occasion ask Mr. Hansen or—in exact words or in substance, "did you talk about the union?"

A. No.

Q. Did you on such occasion say to Mr. Hansen in exact words or in substance or ask him in exact words or in substance, "how come you're participating in union meetings?"

A. No.

Q. Did you on such occasion ask Mr. Hansen in exact words or in substance, "how come you're participating in union meetings when you're the only one on the outside with a plum job?"

A. No, I did not.

[588] Q. Did you on such occasion ask Mr. Hansen in exact words or in substance, "who the hell are you working for, Fowler, Belger or me?"

A. I did not.

Q. Did you on such occasion say to Mr. Hansen in exact words or in substance, "if you're going to be with the union, you can forget about this plum job and everything else?"

A. I did not.

Q. Did you on such occasion say to Mr. Hansen in exact words or in substance, "if your going to be with the union, you can forget about this plum job?"

A. No.

Q. Will you please tell as nearly as you can remember from beginning to end what was said in this conversation? First of all, were you two the only ones present or was there somebody else there?

A. This was a conversation on the telephone and I was by myself.

Q. All right. Will you please tell what was said from beginning to end as you remember it telling who made the call?

A. Ed Hansen had come into the office early that day and had left before I had a chance to speak to him. He was going on vacation. The vacation was due to the fact that his son was getting married and the preparations that were required and the rest period afterward. A very exciting time for him, and I did not have an opportunity to congratulate him. Late [589] that afternoon I called him to congratulate him and tell him that I would not see him for at least two weeks because I was going on my vacation because—and I was quite excited about that too. Casually, after we discussed the wedding plans, the fact he had one son married off and he had two more to go, we were joking about it, I had mentioned to him that I had been told by Don Belger that he had spoken to Ed Fowler that afternoon in Nathan's, and that Don had told me that Ed had mentioned that he had gotten a letter from a union. I said how come you didn't mention it to me? He said, well, I didn't get my mail this morning when I came to work, after I got home, I picked up my mail and from there I went to Nathan's for lunch. And that was the extent of the conversation.

Q. Now calling your attention to August 28, 1972, did you attend a meeting with Mr. Hansen on that day at which Mr. Mannarino and Mr. Belger also were present?

A. Yes, I did.

Q. Would you please tell what happened from the time you first got into that matter, how you got into it and what was said?

A. I was told earlier in the day by Mr. Belger to ask Mr. Hansen to come to the office because he was not in the office on that day, he was in the field working. I called Mr. Hansen's home and either his daughter-in-law or his wife, I believe it [590] was his daughter-in-law answered and told me that he was not at home, that he was in Comack, but he was expected home that afternoon. I said when he gets home, would you ask him to call me at the office. Quite late in the afternoon, I would say it was about three o'clock or thereafter I got a call from Mr. Hansen and at that time asked him to come to the office. When he arrived, it was quite late, I think it was—it might have been after four o'clock or just before four o'clock. I asked him to come into a side conference room, which is adjacent to Mr. Belger's office and Mr. Belger and Mr. Mannarino were there and seated and I sat down and Mr. Hansen sat down. Mr. Hansen asked Mr. Mannarino or Mr. Belger, I am not sure who, what was wrong and was he in trouble? Mr. Mannarino said something to the effect that Ed, we want to talk to you about—your wife's coat, and said, Ed, you have not been candid with us at all. And Ed said, well what do you mean? Mr. Mannarino said, you said you paid eighteen hundred dollars for the coat and yet we have found through our subrogation efforts that you paid only something like eight hundred and forty dollars and what have you got to say to that? At this point Mr. Hansen said, I didn't say I paid eighteen hundred dollars, I said the coat was valued at eighteen hundred dollars. And Mr. Mannarino said, that isn't the case at all and you know it, something to that effect. Mr. Mannarino gave Mr. Hansen an opportunity to rebut any of the things that he had said and Mr. Hansen [591] became very agitated and very upset. Hysterical would be the word.

Mr. Appell: I move to strike.

Mr. Lederer: I think this is descriptive of what this man observed.

Judge Sarrica: It will stand as the witness' representation of his observation.

A. And he said does this mean that my job and this. Mannarino said I am going to ask you to resign because you have not been honest with us at all. And Mr. Hansen said, I want to discuss it with my wife at which point he got up and started walking around the room, walked toward the door and said I'd like to get a drink of water. He went out and apparently got a drink of water and came back in again. He said I won't resign, I want to discuss it with my wife, he had his hand on the door-knob as though he was going to leave—

Mr. Appell: I move to strike, "as though he were going to leave."

Mr. Lederer: I think there's no other way to describe it.

Judge Sarrica: Overruled.

A. And as a matter of fact he had opened the door and was going to go through the door when Mr. Mannarino said, if that's the case Ed, I must advise you that you're terminated as of this date. Mr. Hansen left the office very agitated and I walked after him, I said Ed, you better let me drive [592] you home and I asked him for his company car keys. We went out to the parking lot, got in his car. I got into the driver's seat. He sat next to me. I drove him home. He gave me whatever Allstate material that he had that belonged to the company, and I drove back to the office.

Q. Mr. Deaner, as Mr. Hansen's supervisor, during all of the time you described from September and October 1971 through the time of his discharge, did you have numerous conversations with Mr. Hansen in connection with his work and other matters in view of the fact that you were his supervisor during that time?

A. Yes, I did.

Q. During all that time from what Mr. Hansen did and what he said, would you tell please whether or not—strike that. During all that time on the basis of your observations and your hearing everything he said, how relatively active or inactive did you consider him to be in union affairs in—during that period?

A. We had many conversations of a personal nature, and of course relating to the business at hand, the files and his handling of the files. Mr. Hansen never indicated to me any interest in union whatsoever.

* * * * *

[593] *Cross-Examination*

* * * * *

[595] Q. When did you have the conversation with Mr. Hansen that you testified to, the first one?

A. I think it was July 28, '72.

Q. How do you remember that date?

A. Because one week from that day I left for Mexico with my wife.

Q. Was Mr. Hansen on vacation as of July 28th, to your knowledge?

A. Not really. It was the Friday before his vacation would have started and he left early because the wedding was the following day.

Q. What time did he leave work on that Friday?

A. I don't know what time but I wanted to speak to him and wish him well and he got away without my being able to do so.

Q. Was he working on that day?

A. I don't know. He says he was. I don't know.

* * * * *

[596] Q. Now, going back to the July conversation did you call Hansen or did he call you?

A. I called Hansen.

Q. And what did you say to him at that time?

A. I congratulated him on the occasion of his son's marriage, we kind of joked around about that fact that we both have teenage sons who are difficult to handle at best, both our boys started driving cars about the same time and we were wishing that they will get married too, and it was—the conversation was basically along those lines.

Q. Right.

A. And earlier that afternoon I had heard from Don Belger that Mr. Hansen had met Mr. Fowler at Nathan's and I mentioned this to Ed, that I had heard Ed met Mr. Fowler at Nathan's and had gotten a flyer from the union, and how come he hadn't mentioned it because he had been there that morning. He said he didn't mention it because I didn't get my mail that day until he got home from the office.

Q. You said to him how come he did not mention the flyer to you personally?

A. That's right.

Q. And he said he didn't mention it because why—

A. He didn't get his mail until later that morning and he was already at the office.

* * * * *

[597] Q. And you told him you had heard this from Belger, is that correct?

A. Yes. That's correct.

Q. Well, when did Belger call you?

A. He didn't call me.

Q. When did he tell you about it?

A. I was in his office on some collateral business.

Q. What time was that?

A. Probably around three o'clock in the afternoon.

Q. What did Mr. Belger say to you and what did you say to him?

A. Mr. Belger said he had heard from the region, that Mr. Hansen had gotten a flyer from about a union meeting.

Q. Had you ever asked Mr. Belger to let you know about such things?

A. No.

Q. He volunteered it, that your testimony?

A. He volunteered it.

Q. Was this the first time you learned about a union meeting?

A. A specific meeting, yes.

Q. Was this the first time you ever learned about union meeting?

A. No, I knew there had been other meetings.

Q. How did you know that?

A. From the general conversation on the floor of the office.

And whose conversation was that?

The adjusters talking to one another in my office.

[598] Q. How about any of the other managers or supervisors?

A. No.

Q. How did they come to talk about it in your presence?

Mr. Lederer: Objection. I don't think this is something this witness could be expected to tell, to be asked for what went on in the mind's of the adjusters.

Judge Sarria: Will you limit it to circumstances?

Mr. Appell: I am asking the witness how did it come about that he spoke to adjusters or heard about the adjusters with the union?

A. My desk is in very close proximity to where my supervisors and adjusters work at their desks. And though I can't hear specific conversations, as I walk back and forth I would chat with them and they would chat back either with each other or with me. It was very general that they had gotten flyers on occasion, I have no idea what the dates were.

Q. (By Mr. Appell) When did they tell you this? What months did they tell you this?

A. I don't remember. I think early in '71.

Q. Early '71?

A. 1971. I don't remember the specific dates.

Q. In other words, two years ago from now?

A. Two years ago from when?

Q. From now? That would be early '71

A. It might have been mid '71.

Q. Possibly you mean early '72?

[599] A. I don't remember.

Q. Which employees told you about these flyers?

A. They didn't tell me specifically. They were talking amongst themselves.

Q. Which ones did you hear mention it?

A. Mr. Senese was one. Mr. McGovern. Mr. Wylonis
I think those three had mentioned it to me.

Q. How about Mr. Hansen?

A. Mr. Hansen had never mentioned getting a flyer to me before.

Q. So that the day you called him about this was the first time you ever heard of it on his part, is that correct?

A. On his part, yes.

* * * * *

[605] Q. There's been some testimony about plum job. Now, I understand that your denying ever making a reference to that. Well, aside from the context in which it was discussed or testified hereto, what if Mr. Hansen's job if anything could qualify it to be called a plum job? (sic)

A. Mr. Hansen had a similar job to at least three other adjusters in my unit, all with company cars, all with outside work. His job was not different in context than any of the other three who are for jobs involved in my unit. (sic)

Q. Did all the adjusters have company cars?

A. In my unit all the adjusters had company cars.

Q. Did all of them always have outside work?

A. All of them had outside work.

Q. Mr. Hansen was one—one of the highest paid employees [606] in your unit, was he not?

A. That's correct.

* * * * *

[607] Q. (By Mr. Appell) Did you ever speak to any employees other than Mr. Hansen about the union or about union flyers or the meetings?

A. No.

Q. Was he the only employee who ever called and asked why they hadn't told you about a union meeting or union flyer, was he the only one?

A. He was the only one I called.

Q. You didn't speak to any other employees at any time about it?

[608] A. None.

* * * * *

Cross-Examination

Q. (By Mr. Marcus) Mr. Deaner, I direct your attention to the testimony you gave in the course of a telephone conversation with Mr. Hansen you asked him why he had not told you about the union or flyer?

A. I asked him why he hadn't mentioned it.

Q. Was he under any obligation to mention it to you?

A. None whatsoever.

Q. Or to anyone else?

A. No.

Q. Was it in fact any of your business?

A. Well considering the fact that it was—he was working in my unit—

Q. Talk up a bit.

A. Considering the fact that he was working in my unit I was interested of course in knowing what was happening to it and in it. I thought perhaps it was my business.

Q. And would it have been your business to then pass that information on to others, for example, Mr. Belger?

[609] Mr. Lederer: Objection. There's testimony by this witness that he already knew that this information had been passed on to Mr. Belger because it was Mr. Belger who told him.

Mr. Marcus: Of course Mr. Belger told him. What I am asking the witness is that if the witness had received the information in the first instance would that have been passed on by the witness to Mr. Belger?

Judge Sarrica: Objection overruled.

A. I would have probably told Mr. Belger.

Q. (By Mr. Marcus) Why?

A. General information about the course of the office is daily business.

* * * * *

[613] Q. Yes. On July 28th, you spoke to Mr. Hansen as you did in regard to his not having told you about the notice of union meeting. What was it that you objected or took exception to?

Mr. Appell: Objection.

Judge Sarrica: Overruled.

A. Well, I wanted to be informed from my own people as to anything relevant to my unit rather than hearing it from someone outside of my office.

Q. Meaning who?

A. Mr. Fowler.

Q. So that you objected to his telling Mr. Fowler rather than telling you, is that correct?

A. Yes, that's correct.

* * * * *

Judge Sarrica: Thank you, you are excused.

(Witness excused.)

Mr. Appell: May we go off the record, your Honor?

Judge Sarrica: Off the record.

(Discussion off the record.)

[614] Judge Sarrica: Going back on the record. In the off the record discussion among counsel it was determined that this

was an appropriate time to break this hearing since it's not possible to finish the hearing because of other commitments late this afternoon, and because of other commitments in the interim, it has been agreed by counsel to resume this hearing on May 1st. May we gentlemen make it at eleven o'clock on May 1st?

Mr. Appell: That's fine your Honor.

Mr. Lederer: In that event, let's keep the third open as well, just in case we strike very bad luck.

Judge Sarrica: And have to go three instead of two days?

Mr. Lederer: That's right.

Judge Sarrica: Very well. In accordance with this understanding and agreement among all counsel involved, the hearing is now adjourned until eleven o'clock May 1, 1973.

* * * * *

[622] DOMINICK MINELLI, was called as a witness by and on behalf of the Respondent and, having been first duly sworn, was examined and testified as follows:

Direct Examination

Q. (By Mr. Lederer) Will you state your full name for the record?

A. Dominick Minelli.

Q. Where do you live, Mr. Minelli?

A. 12 Crawford Drive, Dix Hills, New York.

Q. By whom are you employed?

A. Allstate Insurance Company.

Q. At what location?

A. 201 Old County Road in Huntington.

Q. In what capacity are you employed?

A. I am the Regional Property Claim Director.

Q. Did you occupy the same position with Allstate Insurance Company in June of 1972?

A. Yes, I did.

Q. Would you please tell us briefly what your job there involves?

A. Well, basically I am responsible for controlling claim severities, defalcation on areas, training and developing of [623] people, assisting in hiring the new employees, new file review. Surveys all geared to improve the standards of quality of the claims department.

Q. Would you please tell, what if anything you have to do with the controlling of severities?

A. Yes. We perform—I have a staff of analysts that work with me and quality control representatives. We review files, we reinspect automobiles that have been previously handled by staff adjusters in the field. We review their inspection work for their quality and pass on the condition of the reports.

Q. Now, you mention the work that you do concerning defalcation.

Would you please tell of what that work consists?

A. Well, unfortunately in this business there is a lot of temptation in the field, we have a lot of repair shops that are not beyond offering bribes or getting involved with customers and insurance company employees trying to pad estimates.

We will get files, we will get automobiles, we contact our customers and we look for adverse trends.

If we have an adjuster who normally has been doing good work and suddenly he starts running into high severity on normal type losses, we will closely watch his work to see whether it is just an unusual circumstance in that particular [624] instance or maybe if he has temptation which does happen.

Q. How did the Hansen claim first come to your attention?

Mr. Appell: Objection, no foundation that it did come to his—

Judge Sarrica: Sustained.

Q. (By Mr. Lederer) Prior to June of 1972, did you have any contact with one Ed Hansen?

A. None whatsoever.

Q. What, if anything, occurred in June, 1972 regarding Mr. Hansen which came to your attention?

A. Well, I received a phone call from our subrogation unit, they are responsible for recovering monies on claims we paid out some for where someone else had been responsible.

We had received a recovery from Kleins Department Store on a particular file which was substantially less than we had paid in a settlement.

It involved Edgar Hansen.

He told me that the report or the claim file itself did not appear to be in order, and he thought there was something wrong with it. So I asked him to send me the file for my review and I would make a determination.

Q. Following that conversation over the telephone, what if any conversation did you have concerning the Edgar Hansen claim?

A. Well, I reported to Mr. Cartiglia that—

[625] Q. First of all, when you say reported to him, was this over the telephone? Was it face to face?

A. Face to face. I am in an adjoining office, he is my claim manager.

I went into him and mentioned the fact I had a file come to my attention that involved a Company employee and something appeared to be wrong with it based on what the subrogation supervisor told me.

I told him that as soon as I receive the file and reviewed it, I would give him more information on it.

Q. Afterwards, did you receive that file?

A. Yes, I received the file within a day or two, three days at the most.

Mr. Lederer: Now, I will ask the Reporter to mark, please, for identification as Respondent's Exhibit 2, this document which purports to be a draft, front and reverse sides.

Mark this document which has been stapled Respondent's Exhibit 3 for identification.

(The above-mentioned documents were marked Respondent's Exhibits Nos. 2 and 3 for identification.)

Mr. Lederer: Mark this Respondent's Exhibit 4, which has already been marked though.

[626] (The above-mentioned document was marked Respondent's Exhibit No. 4 for identification.)

Q. (By Mr. Lederer) Now, I show you the documents which have been marked here as Respondent's Exhibits 2, 3 and 4 for identification and I ask you whether or not these documents were contained in the file, which you indicate you received in respect to this claim?

A. One appears to be a duplicate of the other.

Q. You have two copies of the draft, the settlement draft?

A. Yes. All three were part of the claim file.

Mr. Lederer: I offer these documents in evidence as Respondent's Exhibits 2, 3 and 4 respectively.

Mr. Appell: I object to their receipt into evidence of Exhibits 2, 3 and 4.

I don't think a proper foundation has been laid for any of them.

Mr. Lederer: If the Judge please, the fact that the responsibility sent to this man who was entrusted with the examination of this file, I think clearly has the proper foundation and indicates the relevancy and materiality of those documents to this particular phase of the procedure.

Judge Sarraica: Objection is overruled and Exhibits 2, 3 and 4 are received.

[627] (The above mentioned documents heretofore marked Respondent's Exhibits Nos. 2, 3 and 4, were received in evidence.)

Q. (By Mr. Lederer) Did you examine the file?

A. Yes, I did.

Q. What did you find when you examined the file?

A. I found what appeared to be an excess overpayment on a claim settlement.

The claim was for a mink coat that had originally been purchased for \$1,800. We recovered approximately \$900, some odd dollars from the insurance carrier for Kleins Department Store, which was substantiated as the amount that we paid for the coat. They gave us a copy of their receipt signed by Edgar Hansen, the file from what I can see was grossly misrepresented by Hansen.

He stated he had paid, or the impression I had gotten from the file was that he had paid \$1,800 for the coat.

Mr. Appell: I move to strike his testimony.

Mr. Lederer: There is no occasion for it.

Judge Sarrica: On what grounds?

Mr. Appell: The witness has testified as to what his impression is, is no basis other than hearsay for his assumption that Hansen paid \$1,800, that he had overstated the price.

Mr. Lederer: If the Judge pleases, this man's [628] impressions are of course important as relevant for the reason of the chain of events that took place in the management of Allstate Insurance Company.

You cannot hope to understand what occurred unless you understand each link in the chain.

This is a large organization and for this reason Mr. Minelli's observations are important in reviewing what happened from one end of this transaction to the other.

Judge Sarrica: The motion to strike is rejected. The objection is overruled. The testimony will stand. The basis of his opinions will depend on whether or not their proof is presented.

Q. (By Mr. Lederer) All right, now, on the basis of what you saw in that file, what if any other impressions or conclusions did you come to regarding the case?

Mr. Appell: Objection.

Judge Sarrica: Overruled.

A. Well, it was my belief that he had perpetrated a fraud in the presentation of his claim.

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[630] A. I said Don, I have a file involving Ed Hansen, which looks pretty bad.

I said it appears he put in a fraudulent claim and we ended up paying him, based on his statement that he allegedly paid \$1,800 for a coat. We have nothing to substantiate it. We have no bills, no cancelled checks, no credit card statement. We have nothing.

It was a coat that was purchased approximately two, three weeks, his wife never wore it. He returned it to Kleins for repairs to the pockets, it disappeared and although we had excellent subrogation we have procedures to follow. The man came through with nothing and all we have here is his word he paid \$1,800.

[631] Belger stated that is so, he said but he explained he paid cash and lost the bill and could not find it and said after all, he is with us some time and he said we accepted his word

I then told Don, I said well, here is what happened, when you accept someone's word, we just received a check from Kleins carrier and they submitted a copy of the bill that Hansen signed and he only paid 800 and some odd dollars for the coat, 860 something.

This is the same coat he told you he paid \$1,800 for.

Our appraiser could not determine the true value. He came in with a top dollar value for a coat Kleins was selling and we assumed we would give him the best coat Kleins had and he accepted it. This is what upset me because it just does not follow, nor is it completely out of the claims handling.

I know it, as I have been involved with it, and where I don't run into this with an ordinary layman type customer, he is an experienced claims man that is doing it.

Mr. Appell: I move to strike everything from "this upset me" on.

Q. (By Mr. Lederer) Is this what you said to Mr. Belger?

A. Yes.

Judge Sarrica: All that?

[632] The Witness: Words to that effect.

Judge Sarrica: Would you be able to tell us precisely what you said

The Witness: I asked Don, didn't it strike you as odd that here was a brand new coat that you paid \$1,800 for and yet he was willing to accept \$1,300 in settlement?

Judge Sarrica: Is that the extent?

The Witness: Approximately, yes.

Judge Sarrica: Rather than what you had given earlier

The Witness: I am getting confused now.

Q. (By Mr. Lederer) Will you continue your answer?

A. We discussed the appraisal value. I am not sure—I talked with Don Belger.

Judge Sarrica: From the conversaton about the appraisal?

A. That I mentioned to Don, I said didn't it strike you as peculiar or odd that he was willing to accept \$1,370 for a brand new coat. How come he did not ask for replacement. Don mentioned again, to the best of my recollection, well we explained the situation to him and he was willing to accept the check and he took it.

Q. Was there any discussion or mention of the Union or a Union in this conversation you had with Mr. Belger

A. None whatsoever.

Q. Subsequent to that conversation, what if any further [633] conversations did you have with reference to this matter?

A. With whom now, with Don Belger?

Q. With anyone subsequent to your conversation with Mr. Belger, what you just related.

What if any further conversation did you have with reference to the Hansen claim?

A. I went into Mr. Cartiglia's office and told him the facts as I knew them and with my conversation with Belger, Mr. Cartiglia asked me to document it and give him something in writing for that respect.

Q. What did you tell Mr. Cartiglia in that conversation?

A. I told him, I just reviewed a file that involved a Company employee.

I felt that a fraud was perpetrated and I thought he should be aware of it.

He asked me some of the facts and I discussed them with him. Basically what I just covered before, that a man purchased a coat for his wife, a new fur coat, told us he paid \$1,800, could not substantiate this in any way whatsoever, and it appeared to (sic) we accepted his word mainly because he was employed, paid him a figure although not what he claimed he paid, but substantially higher than what he actually did pay.

I also told Mr. Cartiglia that I believe that the manager [634] of Kleins Department Store may have been involved with the case because he refused to give us any cooperation at all, refused to supply any bills and would not make his records available to a furrier, again from what I read in the file.

In almost every instance, where we do have a theft involving jewelry or furs—

Q. Are you relating something you said?

A. No. Okay.

Mr. Lederer: That may go out.

Q. (By Mr. Lederer) Was anything further said in that conversation?

A. Aside from Mr. Cartiglia asking me to document it, no.

Mr. Lederer: I ask the Reporter to mark this document as Respondent's Exhibit 5 for identification.

(The above-mentioned document was marked Respondent's Exhibit No. 5 for identification.)

Q. (By Mr. Lederer) Going now to this conversation with Mr. Cartiglia for a moment, was anything discussed between you and Mr. Cartiglia about a Union or the Union?

A. No, none whatsoever.

* * * * *

[638]

Cross-Examination

* * * * *

[639] Q. I show you General Counsel's Exhibit 13, which is in evidence.

I ask you if you recall seeing this?

A. Yes, I do.

Mr. Appell: Do you recall Mr. Cartiglia's discussing this with you?

A. It was discussed in a general sense, in that a letter was going out, I would receive a copy and that he had planned on going at a meeting with the people to see if they had had any questions, or problems.

[640] Q. Did this, did he discuss this with you before the letters were sent out or after the letters were sent out or both

A. I think, I recall he mentioned the letter was going out. I would be getting a copy. We discussed it as in a group after it was out.

Q. What did Mr. Cartiglia say to you at that time or to the people with whom he discussed it?

A. What did he say to the people?

Q. Yes.

A. I don't know what he said to the people.

Q. What did he say to you and your group?

A. Well, there was a word that there was inactivity around and we wanted to find out from the people whether or not they had problems and at that time he cautioned us against discussing the Union with the people. He said it is a problem area, they have to make their own minds up, don't tell them anything one way or the other.

Q. I show you General Counsel's Exhibit 7, which is in evidence, and do you recall seeing that before?

A. Yes, I believe so.

Q. Did Mr. Cartiglia discuss that letter with you?

A. Probably in the same instance as the other one.

Q. Before he sent it out or afterward?

A. Afterward.

Q. Is it possible he also spoke to you before it, before [641] sending it out?

A. Not to my knowledge.

Q. I show you General Counsel's Exhibit 4, which is in evidence.

Did you ever see a card like this before either blank or filled in?

A. No.

[642] *Cross-Examination (Continued)*

By Mr. Appell:

Q. Were you present at any of the meetings that Mr. Cartiglia had with employees after he sent out G.C. 13, the first letter I showed you, or after the first letter was sent out, G.C. 7?

A. No.

* * * * *

[643] Q. Can you state in the year 1972—strike that.

Would it be fair to state that in the year 1972, you were personally opposed to a union coming in at Allstate?

[644] A. I don't think they would do any good for the people in the company. That's my own personal opinion.

Q. And did you ever express this opinion to anybody in Allstate?

A. Over the years I may have.

Q. And to whom have you expressed such opinion?

A. I haven't the slightest idea.

Q. In the year 1972, did you discuss express this opinion?

A. No.

Q. In the year 1971?

Did any employees ever talk to you about the union?

A. Outside of the fact that my analysts mentioned that they heard that there was talk of a union activity.

Q. Who is that?

A. My analyst?

Q. Yes.

A. Richard Jensen was one, that he had heard it. Ed Wennerstrom, I believe, was the other.

Q. Do you know Peter Trap?

A. Yes, I do.

Q. Does he work in your division?

A. He's working for me now, yes.

Q. For how long has he been working for you?

[645] A. He's working—I imagine it's about eight or nine months.

Q. And in that time he's mentioned to you the union, hasn't he?

A. No.

Q. Did you ever mention the union to him?

A. No.

* * * * *

[647] Q. Mr. Minelli, how many years have you been in the insurance business?

[648] A. Approximately 22 years.

Q. Now, if Mr. Hansen had told the company that he paid \$844 for the coat, and everything else in the investigation was as it was, Mr. Schachner finding that the value was approximately \$1,370, what would have been Mr. Hansen's recovery for this coat?

A. I'd have to expound on that a little.

Q. Go ahead.

A. In almost every case where an individual is paid a specified sum of money, the probability is that we can replace it for the same amount of money. Even though they described the coat as being worth \$1,300, the chances are that we would have replaced the coat, the same like kind of quality, for approximately the 860-odd dollars.

Q. Well, if the coat—if the coat is one of a kind, then what's the answer?

A. Then we would pay the value figure on it.

Q. And what is the determining value—and what is the predominant determining aspect of recovery?

Is it the placement value or the original price?

A. It would be the replacement value less any applicable depreciation.

Q. And if Mr. Hansen had for some reason paid only \$40 for the coat and it could not be replaced easily, and the replacement value was determined to be \$1,370, [649] what would the amount of recovery?

A. Unless there was a deliberate fraud or misrepresentation, in which case he would receive nothing, he would receive the value set upon the garment.

* * * * *

Q. Were you aware that there were union meetings in the year 1972?

A. Yes, I had heard.

Q. And who brought those to your attention?

A. I mentioned before my analysts told me about the [650] union activities.

Q. And when—

A. When we received the letters from Mr. Cartiglia.

Q. And when did they tell you about union meetings?

A. I don't recall.

Q. Could it have been April?

A. It could have been.

Q. Could it have been May?

A. Yes.

Q. Could it have been June?

A. Yes.

Q. And were you then aware that there were meetings that the union was holding in the months in the spring of 1972?

A. Well, I know of—I heard of one meeting. I didn't know of "meetings."

Q. I see.

Do you remember what date that was?

A. No.

Q. Could it have been June?

A. It could have been any month of the year.

Q. And, to your knowledge, did Mr. Cartiglia know of these meetings?

A. I don't know.

Q. Didn't you inform Mr. Cartiglia that such meetings [651] were taking place when you heard about them?

A. It's a possibility, yes.

Q. Did you tell anyone else in management that they were taking place, that you had heard that there were union meetings?

A. I may have told the divisions claims manager.

Q. Who is that?

A. At that time?

Q. Yes.

A. It was—I may have. Andy Mannarino and Ralph—and Bob Gasser.

Q. Bob who?

A. Gasser.

Q. How do you spell it?

A. G-a-s-s-e-r.

* * * *

[666] *Redirect Examination*

By Mr. Lederer:

* * * *

[667] Q. Prior to the date of your memo to Mr. Cartiglia—that is dated June the 9th—had you ever been told by anyone that Hansen was in any way connected with the union or its activities?

A. No.

Q. Did Hansen's name come up in any of your meetings [668] with other management people at which the union was discussed?

A. No.

* * * *

[679] ANDREW MANNARINO, was called as a witness and having been first duly sworn by the Administrative Law Judge was examined and testified as follows:

Direct Examination

By Mr. Lederer:

Q. What is your full name?

A. Andrew Mannarino.

Q. Where do you live, Mr. Mannarino?

[680] A. 303 East 20th Street.

Q. Where is that?

A. Huntington Station, Long Island.

Q. What is your present job and with what company and where?

A. Work for Allstate. I am a district claims manager in Brooklyn at the present time.

Q. All right.

Now, calling your attention to the months of July and August of 1972, were you employed by Allstate at that time?

A. Yes.

Q. In what capacity?

A. I was a division claims manager.

* * * * *

A. In the end of June, the beginning of July, I was [681] changed from division claims manager in charge of one territory, Brooklyn and Queens, to division claims manager in charge of Nassau and Suffolk Counties.

Q. And does the Baldwin office of Allstate come within Nassau and Suffolk Counties?

A. Yes.

Q. Okay.

What, if anything, did you—strike that?

12 years ago were you employed by Allstate Insurance Co.?

A. Yes.

Q. Where, at that time?

A. In Freeport.

Q. All right.

At that time, what, if anything, did you have to do with the hiring of Ed Hansen?

A. I hired him.

Q. Did you—

A. I interviewed him and I hired him.

Q. At what location was that?

A. In Freeport.

We had an office there.

Q. And in what capacity did you serve, at that time?

A. District claims manager.

Q. And in what capacity was he hired?

[682] A. An adjuster.

Q. Calling your attention to late June 1972.

A. Yes, sir.

Q. What, if any, conversation did you have at or about that time with Mr. Cartiglia?

A. Mr. Cartiglia told me in his office that he had received information that Ed Hansen had put in a claim for a fur coat and told us that the coat was purchased for an amount which later was discovered to be a larger amount than he had actually paid for the coat.

Also, that he couldn't understand why anyone would—why he would do this.

He asked me about Hansen.

Q. What did you tell him?

A. Well, I told him that I had hired Hansen a long time ago and that—well, that was about it.

Q. All right.

The first two weeks approximately in July of 1972, what were you doing essentially?

A. Well, at first I had been switched to the Nassau and Suffolk division and spent the first two weeks of that month

acquainting myself with the people in my division by visiting the offices and so on.

Q. Toward the close of that two-week period of time, sir, what, if any, further conversation did you have with [683] Mr. Cartiglia with reference to Mr. Hansen?

A. Well, Mr. Cartiglia again opened the Hansen matter up in conversation.

Q. Well, how did you happen to be there?

A. I was—

Q. And where?

A. It was in Mr. Cartiglia's office. I happened to be in that office doing some work.

Q. All right.

Go ahead.

A. He called me in and told me that—we talked again about the Hansen matter.

Mr. Cartiglia said he was disturbed and shocked at the situation because he always figured that Mr. Hansen was a good employee.

He asked me about that.

I told him that from what I knew, had no reason to believe that Mr. Hansen had ever done anything wrong in the past.

Mr. Cartiglia then said he was pondering a very difficult decision but that as far as he was concerned, it looked like Mr. Hansen had lied to us with regard to the purchase price of this coat and that it might occur that he would decide that Mr. Hansen should be terminated possibly.

[684] He asked me—well, he gave me the facts as were related by numerous witnesses here, that is, that Mr. Hansen had stated that he purchased the coat for, I believe, \$1,800 and that it was later determined through a receipt that Mr. Hansen had actually purchased it for 800 and some-odd dollars.

I told him that I was shocked because, again, I knew Hansen for a long time and was concerned about it.

Q. How was that conversation left, as far as—

A. Well, he told me that since I was the division manager of that particular office, that is, in charge of that particular office, among others, that I should acquaint myself with the situation.

* * * * *

Q. Did he—strike that.

What, if any, conversation did you have with Mr. Belger after you returned from vacation?

[685] A. Well, when I returned from vacation, I believe Don was on his vacation.

Q. Is that Mr. Belger?

A. Yes.

Q. Go ahead.

A. So, after Don returned—Mr. Belger—

Q. All right.

A. —on or about—

Q. Approximately when?

A. On or about the 17th of August.

Q. All right.

A. At that time, I had a conversation with Don about it.

Q. And would you please tell us what was said in that conversation?

A. Yes.

He—well, I asked him what was his opinion of the Hansen matter.

Q. What did he tell you?

A. Well, he told me that Hansen had stated that he had bought the coat for \$1,800 and that we determined through subrogation and through a receipt that he had in fact paid 800 some-odd dollars for it.

I asked him what was his opinion of the situation, you know, to assess or what judgment could he give on [686] the situation.

Q. What did he tell you?

A. He said that he thought that Hansen should be terminated.

Mr. Appell: I move to strike the answer as to what Belger said that Hansen said, as hearsay.

Mr. Lederer: This is a part of this conversation.

Judge Sarica: Overruled.

By Mr. Lederer:

Q. Was that the end of that conversation between you and Mr. Belger?

A. Essentially, that was it.

Q. All right.

What, if any, conclusion did you come to with respect to this matter after concluding that conversation with Mr. Belger?

A. Well, Mr. Belger told me that Hansen had stated to him that he paid \$1,800 for the coat and that Mr. Hansen's receipt showed it to be a 800 and some-odd dollar coat, that he had paid a heck of a lot less for the coat.

So the only conclusion that I could come to was that the man was lying to us.

Q. Now, in any of these conversations which you've related with Mr. Cartiglia, that is, previous to this time, was the subject of union mentioned?

[687] A. With regard to Hansen?

Q. Yes.

A. No.

Q. And in the conversation with Mr. Belger, did the subject of union come up?

A. No.

Q. All right.

Now, after completing your conversation with Mr. Belger, what, if any, further conversation did you have with Mr. Cartiglia in reference to Mr. Hansen?

A. Well, I spoke to Mr. Cartiglia and told him the facts as I had seen them, that is, as they had been related to me by Belger, which would indicate that Hansen was lying and I felt personally that he should be terminated.

Q. Did you say anything else along those lines to Mr. Cartiglia?

Mr. Appell: Objection.

A. Well—

Judge Sarrica: Overruled.

You may answer the question.

A. Well, we talked about Hansen as an individual.

After all, I knew Hansen for a very long time.

John Cartiglia knew that I knew him for a very long time.

[688] Also, he had asked me on another occasion what I thought of Hansen as an employee.

I had been Hansen's manager for several years in the early '60's, middle '60's, and we sort of discussed Hansen as an employee generally.

Mr. Cartiglia, on several occasions—well, not several occasions, but during these conversations, asked me several times about Hansen as an employee, as an employee who has been with us for a long time.

He asked me to assess him as far as his conduct for all those years. He knew that I knew the man.

Both Mr. Cartiglia and I, in talking to each other about this, both stated that, you know, we were shocked at the fact that this particular guy did this.

Q. Now calling your attention to the 28th day of August 1972.

Will you please tell what, if anything, occurred on that day concerning Mr. Hansen?

A. Yes.

I was in the Baldwin office on that day.

Q. Baldwin office, did you say?

A. Yes.

Q. Go ahead.

A. Mr. Cartiglia called and spoke to me and Don Belger, I believe, and told us that we should—that I [689] should talk to Hansen about the situation and to terminate him. Basically that's what he said.

Q. All right.

Thereafter, did you meet with Mr. Hansen on that day?

A. Yes, I did.

Q. And who else was present and where did this meeting occur?

A. It occurred in a conference room next to Don Belger's office.

Mr. Belger and Mr. Deaner and I were present, with Mr. Hansen.

Q. Go back for one moment.

During your conversation with Mr. Cartiglia in which he stated that you made the recommendation that he be discharged—

A. Yes, sir.

Q. —was there any mention of union in that conversation?

A. No.

Q. All right.

Now, going to August 28th again.

A. Yes, sir.

Q. Approximately what time of day did this conference occur?

[690] A. This was in the afternoon, I would say late afternoon.

Q. All right.

Would you please tell what was said as nearly as you can remember in that conversation by all present?

A. Don Belger and I and Larry Deaner were in the room when Hansen walked in.

We exchanged greetings. He said to me, you know, "What's this all about? Am I in some kind of trouble?"

I said, "Well, it's about your claim for your wife's coat."

I then said to him, "You told us that you purchased the coat for \$1,800."

He thereupon said, "I didn't say that I purchased the coat for \$1,800."

Belger said, "You told me that you purchased the coat for \$1,800."

And then Hansen said, "Well, technically I never said that. I said it's a \$1,800 coat, that's what I actually said."

Q. This is Hansen speaking now?

A. Yes, sir.

Q. Go ahead.

A. And Belger repeated, "Well, you told me that it was purchased for \$1,800."

[691] Hansen got very excited at the time. He stood up, as a matter of fact, and walked, paced back and forth.

I then said to him that "On the basis of what you have just said, on the basis of what I know, I am asking you for your resignation."

He said to me at the time, "No, I won't resign."

He then said something about wanting to discuss this.

I said, "Well, if you won't resign, on the basis of what you have said to me, you're terminated."

Then he went on to talk about it for a period of time, very excitedly, and we listened to him.

Later on—in fact later on he asked to be excused for a few minutes. He went out and got a drink of water, I guess, or something.

I went out and got a pack of cigarettes, came back and listened to him talk some more.

Q. How long did this go on?

A. Oh, for about maybe 20 minutes.

Q. Go ahead.

A. He just kept saying that this was a good job, it's a good job, where am I going to get another job like this, things of that nature.

Then the conversation was concluded, we concluded it, or he concluded it, and he walked out.

[692] Q. How did the meeting end?

A. Well, it sort of ended when he just walked out after talking for some period of time.

Q. Did you—

A. I think I then asked—

Q. Excuse me.

Go ahead.

A. I think I then asked Deaner to arrange for getting Hansen home.

Q. You say you said that?

A. Either I or Belger said it, stated that to him.

Q. All right.

What, if anything, else in connection with that?

A. They just walked out, so I don't know.

Q. I see.

Did you say in this meeting in exact words or in substance, "Cartiglia was called"?

A. Cartiglia was called?

Q. Yes.

A. No.

Q. Did you go out and then come back into the meeting and then say, in exact words or in substance, "Cartiglia was called"?

A. No.

Q. Did you call Cartiglia during the progress—

[693] A. No.

Q. —of that meeting?

A. No.

Q. Did you go out and call Cartiglia at any time during that meeting?

A. During the meeting?

Q. Yes.

A. No.

Q. Did you go out and come back and then say, in exact or in substance, "They want you to resign"?

A. No.

Q. Did Hansen say, at any time during that meeting in your presence, in exact words or in substance, "I'm going to sue you"?

A. No.

Q. Subsequent to Mr. Hansen leaving, what, if any, conversation did you have that same day with Mr. Belger?

A. Well, after Hansen left, naturally Don Belger and I discussed the matter.

I asked him what his opinion was about Mr. Hansen's demeanor at the meeting.

Mr. Appell: Mr. Hansen's what?

The Witness: Demeanor.

Mr. Appell: All right.

A. (Continuing) And Mr. Belger stated that he seemed [694] to be full of a lot of bluster and tried to bluster his way out of it.

Mr. Appell: I move to strike this.

Mr. Lederer: It's a statement that was made in a conversation.

Judge Sarrica: Overruled.

By Mr. Lederer:

Q. What, if anything, did you say to Mr. Belger, at that time, that is, during that conversation?

A. I agreed with him.

Mr. Appell: I move to strike.

By Mr. Lederer:

Q. Is that what you said to Mr. Belger?

A. Yes, I said, "I agree with you."

Mr. Appell: I move to strike.

Judge Sarrica: Overruled.

By Mr. Lederer:

Q. Now, that same day after the conclusion of the meeting with Hansen and after your conversation you've just related with Mr. Belger, what, if any, conversation did you have with Mr. Cartiglia?

A. I called Mr. Cartiglia and told him—

Q. What had transpired?

A. Yes.

Q. At that meeting?

[695] A. Yes.

Q. That same day?

A. Yes, after the meeting was over.

Q. I see.

Was anything else said other than your telling him what went on?

A. No.

Q. No?

A. No.

Q. In any—strike that.

At any time during this meeting with Mr. Hansen, did the subject of union or union activity come up?

A. No.

Q. Did it come up in any way in your subsequent conversations with Mr. Belger and Mr. Cartiglia?

A. No.

* * * * *

[696]

Cross-Examination

By Mr. Appell:

* * * * *

[699] Q. Did you ever hear Mr. Hansen say that he paid \$1,800 for the coat in question?

A. I did not hear him say that, no.

Q. Did you ever hear him say that the replacement value of the coat was \$1,800?

A. He stated—the only time I spoke to Hansen was on August 28th, I believe. Is that the date?

Q. Yes.

A. It was during that interview.

And when I asked him—when I said to him, “You stated that you purchased this coat for \$1,800,” his [700] answer was, “No, technically, I didn’t say that, I said that it’s a \$1,800 coat.”

Q. Do you recall him using the words “replacement value”?

A. No.

"It's a \$1,800 coat."

That's what I—that's exactly what I remember.

* * *
[724] Q. Now, you were aware that there have been some
[725] union campaigns at Allstate Insurance, aren't you?

A. Yes.

Q. You knew that the ACA was trying to organize at Allstate in 1971, didn't you?

A. Yes.

Q. And you knew also that Local 365 of the UAW was trying to organize in '71, and '72, didn't you?

A. Yes.

Q. And Mr. Cartiglia spoke to you about these campaigns, didn't he?

A. Yes.

Q. He spoke to you many times about them?

A. Yes.

Q. He was opposed to the union; is that correct?

A. Well—

Q. To each of the unions; is that correct?

A. Well, he felt that it wasn't necessary.

Q. And did you agree with him?

A. Yes.

Q. And was that in fact your feeling?

A. Yes.

Q. Did you ever express that feeling to anybody?

A. To Mr. Cartiglia.

Q. To anybody else?

A. To my managers at the time.

[726] Q. And who were they?

A. Mr. Fowler, Mr. Beck, Mr. McCormack.

Q. Who is Mr. Beck?

A. He was manager of the Midwood office.

Q. And Mr. Fowler was manager of where?

A. Hollis.

Q. And how about Mr. McCormack?

A. Elmhurst.

Q. How did you come to explain your feelings to them?

A. We merely discussed the union.

Q. When was that?

A. During various times during the campaigns.

Q. Beginning when?

A. Oh, I don't know the exact date. But beginning when it was common knowledge that the union was trying to talk to our people.

Q. And did you speak to these gentlemen during the UAW, Local 365 campaign, along these lines about the union?

A. It's possible.

Q. And on whose instructions did you speak to them about the union?

A. I didn't have particular instructions to speak to them.

Q. Well, what did—

A. I did speak to John Cartiglia about the union.

[727] Q. And what did he say to you?

A. Well, he gave me some do's and don'ts, you know, about the unionization activity.

Q. Such as.

A. Well, such as, "We're not supposed to ask people things about the union, ask them what they think about the union and ask them about any meetings, solicitations and so on."

Also, "We can't try to do anything that would make it seem as if we were pressuring people about the subject."

Q. What about the do's he told you?

A. Well, to report back anything that I hear.

Q. Well, what did you hear about the union after he told you that?

A. Well, from time to time we would hear through adjusters who brought in, for instance, union literature to their supervisors and the supervisors would tell their managers, the manager would tell me and I would tell John Cartiglia.

Q. Do you know if he told anybody, in turn?

A. I'm sorry, I didn't—

Q. Would you know if Mr. Cartiglia, in turn, told anyone else what he found out?

A. I would—I don't know for a fact, but I would assume he did.

[728] Q. And did you see such literature, union literature?

A. I think I did see some. I don't really recall specifically.

Q. Do you remember when that was?

A. I think I saw some letters or something of that nature that the union had sent some of our people.

Q. Was it during the spring of '72?

A. I—

Q. During the summer of '72?

A. I couldn't tell you. It was during the campaign over the last several years, couple of years.

Q. And did you ever see any union authorization cards, either blank or filled in?

A. No, I don't believe I've ever seen one.

Q. Did you ever get hold of such literature and have it actually in your possession? When somebody showed it to you and did you take it?

A. No.

Q. Did you forward it to anybody?

A. Well, I do think that some of the letters were sent to me and I forwarded them on to John Cartiglia. In that sense, yes, I had possession of them.

Q. I see.

Which employees gave you the letters?

A. I honestly don't know.

[729] The managers would send—were told to send anything to me that they had gotten.

Q. And you were aware, were you not, that Local 365 was holding meetings of employees of Allstate throughout 1972, various months; is that correct?

A. I wasn't aware throughout, but I was aware of meetings that they held, yes.

Q. How many meetings did you actually hear about?

A. I couldn't tell you the exact number on it.

Q. Would you say it was more than three?

A. I would say—if you said three, okay, I would agree with you.

More than three, I couldn't recall that. It's possible more than three. I don't know the exact number.

Q. And do you recall letters that Mr. Cartiglia sent to employees about the unions?

A. I recall one letter Mr. Cartiglia sent out. That's the only one that I recall.

Q. Did he ever discuss such a letter with you before the—did he discuss such a letter with you before he sent them out to the employees?

A. I don't know whether he had actually drafted the letter or not. I think he had drafted a letter and possibly did discuss it with me before it was sent or maybe after it was sent that he discussed it with me. [730] I don't recall which way it was.

Q. And did he, personally, instruct you to report back to him on what you heard about the union?

A. Yes.

Q. And who else—and whom else did he similarly instruct, to your knowledge?

A. I have no idea.

I would assume he instructed my counter part.

Q. Who was that?

A. At that time, it was Bob Gasser, who was the division manager.

Q. Did any employees actually come up to you and report about the union activities?

A. No employees other than my managers.

My managers are the people who generally talk to me.

Q. And were those Fowler, Beck and McCormack?

A. Yes.

Q. Anyone else?

A. No.

During that time those were the three.

* * * * *

[731] Q. I show you General Counsel's Exhibit No. 13, which is in evidence. I ask you if you remember ever seeing this before?

(Handing.)

A. Yes, I recall it.

Mr. Lederer: Let me see that document.

Mr. Appell: Okay?

Mr. Lederer: Yes.

By Mr. Appell:

Q. Do you recall Mr. Cartiglia discussing that General Counsel's Exhibit 13 with you, Mr. Mannarino?

A. I recall that he did discuss a letter with me. All I can remember of it is that he did.

This particular letter, it could be it; I don't know. I don't have an independent recollection of exactly what he said in that letter.

Q. Well, I show you now General Counsel's Exhibit 7. Have you ever seen this before?

[732] (Handing.)

A. Frankly, I don't have an independent recollection of seeing this particular letter.

Q. Do you remember Mr. Cartiglia meeting with employees in your office in 1971?

A. He met with employees in my office. This, I know.

Q. Were you present?

A. No.

Q. No?

A. No.

Q. Did he ever tell you why he was coming down to talk to these employees?

A. Yes.

Q. Why?

A. That he wanted to discuss with them if they had any problems, elicit from them any problems they had.

Q. And this was after the G. C. 13 came out to employees the first letter I showed you; isn't that correct?

A. I wouldn't know. The sequence is confusing to me. I don't know which it was, after or before.

But I know—

Q. Was it after both letters came out? Do you know?

A. I don't know. I don't recall.

I know that he did go out and talk to people in my offices.

[733] Q. I see.

Did you ever hear Mr. Cartiglia speak to employees during that period of time, in 1971?

A. No.

I wasn't present.

Q. How did you find out about union meetings?

A. My managers—I think Mr. Cartiglia told me.

Q. And the literature that was mailed to you, that advised of meetings, also; isn't that correct?

A. The literature?

Q. Yes.

A. Yes, I think so; yes.

Q. Did you ever talk about the union with Belger, by the way?

A. I don't believe—

Q. You don't believe so?

A. I don't believe I did, because, as I stated, Don and I didn't have—I had just been made manager of that particular division, and I was on vacation and he was on vacation, so we didn't have any discussions—we didn't have much time for discussions about these things.

Q. When Cartiglia did speak to you about the union, who else was present?

A. I think at one time all the managers were present.

Q. Who were they?

[734] A. The three I just gave you, plus Belger, Morrell—

Q. Who?

A. Morrell.

Q. Yes?

A. I don't recall now who the other managers were at this particular meeting.

Q. How many managers were there at the meeting or meetings?

A. I think there were seven managers.

Q. Division managers?

A. Two were division managers.

Q. So there would be a total of about nine people?

A. Nine, yes.

Q. And how many such meetings did Mr. Cartiglia have in which he discussed the union?

A. Frankly, I think I recall just one of those type of meetings.

Q. And there were other meetings; is that correct?

A. Well, I—well, I discussed the union situation with them on several occasions.

Q. The one where about nine people were present, was that in reference to Local 365, UAW?

A. I—I think so, but I—I think it was, but I don't recall exactly. It was about generally, you know, what the situation was with regard to the union.

[735] Q. Do you remember the approximate date or month of that meeting?

A. No, I'm afraid not.

Q. How many times did you speak to Cartiglia about the union after that meeting?

A. How many times?

Q. Yes, sir.

A. Many times.

Q. Could you give a possible approximation?

A. No.

Just many times. One of my responsibilities was the several hundred people in my division, their morale, their problems, anything that would have anything to do with their productivity, their work, would be a matter for me to discuss with Mr. Cartiglia. This is my job.

Q. Did you—

A. One of the things—

Q. I'm sorry. Go ahead.

A. —in my opinion that must have had an effect on peoples minds was unionization attempts, so it would be a matter for me to discuss with Cartiglia from time to time.

* * * * *

[737] *Direct Examination of Donald Belger*

By Mr. Lederer:

Q. What is your full name?

A. Donald Belger.

Q. Would you spell your last name, please?

A. B-e-l-g-e-r.

Q. What is your address, Mr. Belger?

A. 1582 Victoria Street, Baldwin, New York.

Q. By whom are you employed?

A. Allstate Insurance Company.

Q. Where and in what capacity?

A. I'm the senior district claims manager in The Bronx service office in The Bronx, New York.

Q. And how long have you occupied that position?

A. Seven months.

Q. Prior to that time—well, strike that.

When you say seven months, when did you first come into that position?

A. I was transferred up into The Bronx on November 1st, I believe.

Q. 1972?

A. '72, yes.

Q. All right.

Prior to that time, what position did you occupy?

A. I was the district claims manager in the Baldwin [738] service office on Long Island.

Q. And how long did you occupy that position?

A. For about two months and a couple of—for about two years and two months.

Q. So that in October and November of 1971, you occupied that position; is that correct?

A. Yes, I did.

Q. Now, is that position the highest position in the Baldwin service office?

A. Yes, it is.

Q. Will you please tell how the matter of Hansen's claim in regard to a fur coat first came to your attention and approximately when?

A. Yes.

This took place approximately October of '7—October of 1971.

Tom Kane brought to my attention the fact that Ed Hansen had made a claim on a fur coat that had been stolen while it was in transit.

Tom asked me if I would intervene with the discussions with Ed Hansen because he feared that since he had formerly been a property man, that he wouldn't be on good grounds talking with a casualty adjuster on his own claim.

Q. In what ways, if any, did you prepare yourself [739] before meeting in respect to the matter of this claim of Mr. Hansen's?

A. Well, when Tom Kane brought this matter to my attention, he was somewhat concerned because of the fact that there was no paid bill in the file and Ed Hansen had indicated that he did not have a paid bill.

In addition, Ed had said that he had paid \$1,800 for the coat and—

Q. Now, wait.

Is this Kane telling you this?

A. Kane is telling me this, yes.

Q. All right.

Go ahead and proceed to tell now approximately what date this was and who was present at this time.

A. Yes.

This was at the October meeting in 1971. Tom Kane was in my office with me alone.

Q. You were alone with him at that time?

A. That's correct, yes.

Q. Go ahead.

A. As I said, he explained that there were certain irregularities about the file in that there was no paid bill.

Ed had indicated to him that he had paid \$1,800 for the coat and Schachner, our furrier, had gone to [740] Klein's where Ed allegedly purchased the coat and could only find a coat, the highest price coat, I believe, on the rack, at that time, was approximately \$1,370.

Tom got the feeling that he was going to have a problem settling this with Ed Hansen.

Q. What, if any, discussion was there at this time between you and Mr. Kane in respect to frictions between property and casualty people?

A. Well, Tom had—we had just gone into a new method of claim handling.

This method required more or less that we changed our entire claim philosophies as far as handling claims go.

Tom had been chosen to supervise the property telephone claim handling unit.

Now, Tom Kane had been promoted into that unit from a property adjuster position that he had held prior to his promotion.

Tom felt that because this was a casualty man, he would have difficulty talking with Ed Hansen.

Q. All right.

After the completion of your conversation with Mr. Kane, on or about the 19th day of October 1971, will you please tell what, if anything, else occurred?

A. Well, I asked Tom if he had discussed this with [741] his immediate supervisor, whose name is Richie Hicks.

He said that Richie was on the telephone at the time and he had asked Richie if he could come in to me directly.

When I discussed this with Tom Kane, after my discussion, Richie was off the phone at the time and I asked Richie to come into the office. I repeated to Richie exactly what our discussion with—exactly what my discussion with Tom Kane was.

We decided that we would call Ed Hansen into the office and find out more about the claim.

I didn't call, but I think either Tom Kane or Richie Hicks called him.

Q. Did Mr. Hansen come into the office shortly thereafter?

A. Yes, he did.

Mr. Appell: Could we have a date on this?

Mr. Lederer: Yes.

By Mr. Lederer:

Q. The approximate date, please.

A. The approximate date would be the middle toward the later part of October.

Q. Of 1971?

A. Yes, sir.

Q. All right.

[742] Now, who was present at the conversation which followed between yourself and Mr. Hansen and Tom Kane?

Was anyone else present?

A. Richie Hicks.

Q. All right.

Will you please tell what was said in that conversation as nearly as you can remember it?

A. Well, I started the conversation off by saying to Ed that I had his wife's claim file in front of me and there were certain problems involved in that he said that he paid \$1,800 for the coat, yet when Schachner went to Klein's, the most expensive coat that he found on the rack cost \$1,370.

I asked Ed if he had any kind of receipt or paid bill or anything of that sort.

Ed said, "No."

He said that "I paid \$1,800 for the coat. I paid all cash. I sold some stock, you know that, Don."

And with that, he also more or less threw up his arms and said, "What is this going to be, one of those 'employee's claims'?"

I said, "Ed, I just want to make sure that my file is complete. In order for it to be complete, I need some sort of bill or receipt."

I asked him if he had charged it.

[743] He said, "No. I paid all cash for it."

And then he said, "There wouldn't be any problem because we would get all the money back in subrogation."

With that, I told him that in order for me to have a completed file, I would need some sort of receipts or bills."

At that, Ed said to me that "I know of a friend, I have a friend in Klein's, he can give me any kind of a bill, how much of a bill do you want?"

I said, "Ed, please, I don't want any of that action or activity."

I said, "I can offer you \$1,370 for the coat."

Ed said, "I'll accept it."

I said, "Ed, please, I feel very, very badly about this, why in the world would you accept \$1,370 for a coat that you paid \$1,800 for just a short time ago?"

And he said, "Well, I need the cash and I thought I was going to take a beating, and I'll accept the money."

At that point I asked Tom Kane, I believe, to requisition the check because I had to sign it.

Q. And was the check produced and delivered to Mr. Hansen at that time?

A. Shortly thereafter, I'd say within about 15 or 20 minutes.

Q. And was that the end of that conversation?

[744] A. Yes, it was.

Q. All right.

Now, calling your attention to that same month, October 1971, do you recall attending in the Baldwin office, any meetings of groups of employees which Mr. John Cartiglia held with those employees in that office with reference to the work of the employees?

A. Yes, I do.

Q. Do you recall any such meeting at which Mr. Hansen was present?

A. Yes, I do.

Q. And were you present at that meeting?

A. Yes, I was.

Q. Would you please tell, as best you can remember it, what Mr. John Cartiglia said at such meeting, first?

A. Well, John was very much interested in the morale and, also, very much interested in the work production of the office, as I would assume that he's interested in work production throughout his own region.

He wanted to find out from the fellows whether or not they understood all the company's procedures, et cetera.

As a result, we held these meetings more or less by units.

Ed Hansen was in the meeting which comprised his [745] particular unit.

Q. And do you recall what he said to the employees in this meeting?

A. Well, he just wanted to know if there was anything that they didn't understand or anything that was particularly irritating them at the present time.

Fellows would come up with suggestions, more or less, as to how to make it a more efficient operation.

For example, I can remember one suggestion being made, which I felt was a good one, where company car inspections rather than having to go out to Huntington to have the company car inspected periodically, they asked if they could have it done right there in the Baldwin office. I believe that that suggestion was adhered to.

Q. Do you recall whether or not Ed Hansen spoke up at that meeting?

A. Ed Hansen does not stick out in my mind as—

Q. I'm talking about at that meeting.

A. At that meeting, yes.

Q. When you say he doesn't stick out in your mind, what is your recollection as to whether or not he spoke up at that meeting or to what extent he may have spoken up?

A. The fact that I can't recall him mentioning anything would indicate to me that he didn't speak up at all.

[746] Q. At any time during that meeting, do you recall seeing Mr. Cartiglia becoming annoyed at Mr. Hansen?

A. Absolutely not.

Q. Did you see Mr. Cartiglia at any time write Mr. Hansen's name down on a piece of paper during that meeting?

A. No, I didn't.

Q. What activities did Mr. Hansen, in the last year of his employment, perform as an adjuster in the Baldwin office?

A. Eddie Hansen had a very responsible type of position in that with this new claim procedure, all very severe personal injury type of cases that would be brought to our attention via a telephone report or an accident report, if it were serious, very serious, requiring hospitalization or possibly a death case, would become what we call a "pop-out".

This particular claim had to be handled very, very carefully and very, very completely by our field adjusters.

This was Ed Hansen's responsibility.

He investigated all these very serious accidents; he interviewed insureds; he interviewed witnesses; he more or less gave us his impression of a witness; he took signed statements from insureds and evaluated witnesses; he more or less put a primary evaluation on the case [747] from what he could gather in his investigation.

Q. All right.

Calling your attention to early June of 1972, did you receive any telephone call from Mr. Minelli at or about that time in reference to Mr. Hansen?

A. Yes, I did.

Q. Would you please tell the circumstances of the call as nearly as you can remember it and what was said during that phone call?

A. Well, Dom Minelli would frequently call me regarding a file that he felt was not properly handled or where he felt that something that should have been done wasn't done.

In this particular conversation he called me about Eddie Hansen's file.

He asked me why Ed Hansen didn't go back to Klein's and get a coat rather than make a claim.

I explained to him that Ed had indicated to me and to us that he was—that he needed the cash because at the time, I believe, his wife was leaving for some sort of convention and the impression was that he was going to buy another coat.

He also asked me why I expected (sic) the claim without receiving a receipt or a bill.

I told him that Ed Hansen had told me that he had [748] no bills and he had no—and he didn't charge the coat and things like that.

He indicated to me—Minelli, that is—that he was somewhat dissatisfied with the way the file had been handled.

I told Dom Minelli that it was an employee, he knew Ed Hansen was an employee, and I told him that I accepted Ed Hansen's word.

Q. Shortly after that, in June of 1972, did you receive a telephone call from Mr. Cartiglia in reference to the Hansen problem?

A. Yes, I did.

Q. Would you please tell what was said in that telephone call?

A. John brought to my attention the fact that Ed Hansen's claim had come back from the subrogation department and the subrogation department had recovered something like \$840 from the responsible carrier.

John asked me what Ed Hansen had told me as far as paying, what he paid for the coat.

I said that he had told us that he had paid \$1,800 for the coat.

John was very concerned because he said that here we have an employee claiming that he paid \$1,800 for the coat when in effect subrogation found out that he had [749] paid \$840.

He asked me to search back in my mind and to speak to whoever was involved with the claim in the office and get back to him.

* * * * *

[750] Q. Calling your attention to approximately the 19th day of July 1972, did you receive another telephone call from Mr. Cartiglia on or about that date?

A. Yes, I did.

Q. And would you please tell what was said in that conversation?

A. Yes.

John asked me if I had tossed these things in my [751] mind and if I had spoken to anybody in the office about it.

I told him that I did toss it in my mind and I was very, very upset over the fact that this claim involved an employee of mine.

I also told him that I hadn't spoken to anybody about it because I didn't want to create any problems that could arise in the meanwhile, you know, while he was away.

I asked him if he would send me the claim file at that time.

John said yes, he would. He said also that he would get back to me in a day or two.

Q. Now, I show you the document which is in evidence here as Respondent's Exhibit 5, and I ask you whether or not you received this document?

And if so, on or about what date?

(Handing.)

A. Yes.

This document came to me shortly after the 19th of July. It was attached to the Edgar Hansen claim file.

Q. I see.

Would you please identify, if you can, please, the handwriting at the lower right-hand corner of that document?

A. Yes.

[752] That's my handwriting.

Q. Is that your handwriting?

A. Yes.

The reason for that is that I dictated a reply to John Cartiglia on 7/27, and my secretary was, I believe, out of the office at the time, and I dictated it to a girl by the name of Paula in claims admissions, she's a secretary there.

Q. All right.

Do you recognize the writing appearing at the upper left-hand corner of that document?

A. Yes.

Q. Whose handwriting is that?

A. John Cartiglia's handwriting.

Q. All right.

Mr. Lederer: I show this document to you, your Honor.

(Handing.)

By Mr. Lederer:

Q. Now, between the 20th day of July 1972, on which you've indicated approximately you received that memo, and the claim file, and the 27th day of July, would you please tell what, if anything, you did on the Hansen case?

A. Well, I reviewed the file personally. I spoke with Tom Kane, who was the supervisor, the property TCH [753] supervisor.

I asked Tom if he could recall the fact surrounding the Edgar Hansen file.

Now, Tom said to me, "Gee, give me a couple of days to think about it."

I said, "Sure."

I said, "You know, just give me the facts whenever you can recall them."

A couple of days later he came back and told me that he recalled the conversation in my office where in Ed Hansen had told us that he had paid \$1,800 cash for the coat and he didn't have any receipts.

Tom Kane recalled that conversation.

Q. Now, on or about July 17, 1972, did Mr. Cartiglia call you again?

A. Yes, he did.

Q. All right.

Would you please tell what was said in that telephone conversation?

A. He wanted to know what decision I had made and what, if any, recommendation I was about to make based upon my decision.

I told him that based upon my review of the file and my conversations with Tom Kane, I felt that some action should be taken toward Ed Hansen.

* * * * *

[755] Q. Calling your attention to mid-August 1972, did you have a conversation with Mr. Mannarino at or about that time in reference to the Hansen matter?

A. Yes, I did.

Q. All right.

Would you please indicate where that conversation took place?

A. It took place in the lounge area of the Baldwin claim office.

Q. And was anyone else present?

A. No.

Q. Would you please tell what was said?

A. Mr. Mannarino had just come into my division as a division manager. He came in to speak with many of the people. We had a cup of coffee in the back, in the lounge.

He asked me about the Edgar Hansen matter. He asked me to explain a little bit of the facts to him [756] about it, which I did.

He also asked me if Ed Hansen had told me that he had paid \$1,800 for the coat.

I said yes.

Q. Was that—

A. That was the extent of the conversation.

Q. Pardon me?

A. That was the extent of the conversation.

Q. All right.

Do you recall whether or not Mr. Mannarino said anything concerning the case to you, at that time?

A. No, I don't recall.

Q. What, if anything, else occurred involving you between the time of your conversation with Mannarino and your attendance of the meeting that Mr. Mannarino had with Mr. Hansen on August 28th?

A. Nothing that I can recall.

Q. Did Mr. Cartiglia contact you prior to that meeting on August 28th?

A. John contacted me over the telephone, you know, in that period of time, yes.

But the Edgar Hansen matter was not mentioned in any of those conversations.

Q. I see.

On August 28th, the day of that meeting, did Mr. [757] Cartiglia contact you in connection with the meeting that was to take place with Mr. Hansen?

A. Yes, he did.

Q. All right.

Do you recall whether that was before or after, or do you know whether it was before or after he contacted Mr. Mannarino?

A. Mr. Mannarino happened to be in my office, again on one of his visits.

My phone rang. My secretary told me that Mr. Cartiglia was on the phone and he would like to talk with me.

I then spoke to John. After speaking with John, he said, "Now, would you put Andy Mannarino on the telephone?"

And then Andy spoke to John.

Q. When you spoke to John, did you discuss the Hansen matter with him?

A. Yes.

Q. All right.

What was said?

A. Well, he told me that all of the approvals had come in and Mr. Hansen was going to be terminated today.

Q. Was that the extent of the conversation?

A. Yes.

[758] Then he said, "Would you mind putting Andy Mannarino on the telephone?"

And that's how Andy got on the telephone.

Q. All right.

Now, in all these conversations that you've related in your testimony up to this time, conversations with Minelli, conversation with Cartiglia, conversations with Mannarino, and, also, your conversations in 1971 concerning the meeting with Hansen and the settlement of his claim, was the subject of the union ever mentioned?

A. It didn't come up once.

Q. Did the subject of the union come up in that meeting that you had with Mr. Hansen, at which you offered him \$1,370 in settlement of his claim?

A. No, sir.

* * * * *

Q. Now, on the 28th day of August 1972, did you attend a meeting which Mr. Mannarino held with Mr. Hansen on that day?

A. Yes, I did.

Q. Was anyone else present?

A. Yes.

Q. Who?

A. Larry Deaner, my casualty unit manager.

Q. All right.

[759] Would you please tell, as nearly as you can remember, what was said and what occurred at that meeting?

A. Well, the meeting took place in a conference room one or two doors away from my office.

Eddie came in and he was quite flustered.

Q. Flustered?

A. Yes.

Q. Go ahead.

A. His first reaction, for one reason or another, was, "Gee, what's wrong?"

So Andy Mannarino asked him to sit down.

He told him that certain problems had come up regarding his claim file with his wife's fur coat.

He said that you told us that you paid \$1,800 for the coat and subrogation found out that they only paid \$840.

He said, "Eddie, do you have any kind of an explanation?"

Eddie, at that point, said, "Technically speaking, I never said I paid \$1,800 for the coat."

I then said, "Ed, you told myself and you told Schachner that you paid \$1,800 for the coat."

Eddie said, "I never told you I paid \$1,800 for the coat."

He talked to Andy Mannarino at that point and he [760] said, you know, "Am I in trouble?"

Andy said, "Ed, I'm going to have to ask for your resignation."

Eddie said, "No, I'm not going to give it to you. I never said I paid \$1,800 for the coat."

At that point I said, "Ed, when I gave you the check for \$1,370, why didn't you tell me you paid \$840?"

He said, "I didn't feel there was a need for me telling you that."

He became very, very excited. At one point, I believe, he asked if he could go out and get a drink of water, and then he came back.

The conversation continued for a brief period of time. He repeated that he was not going to resign. Then Andy Mannarino said, "Well, I'm going to have to terminate you."

At that point, Eddie said, "Well, I'd like to talk to my wife."

And Andy Mannarino said, "There's no time for that, Eddie."

And with that, Eddie got up and started walking out.

Andy said, "Hey, where are you going?"

He said, "I'm going home."

And I believe I said to Larry Deaner, "Larry, you better get the company car, get the company car and get [761] all the company drafts and the manuals that Eddie has."

The two of them then took off.

Q. Do you recall Mr. Mannarino leaving that meeting at any time before it was completed?

A. Yes.

I recall him leaving the meeting when Eddie went out to get a glass of water.

Andy came back and he had a pack of cigarettes in his hand. I didn't ask Andy where he had gone.

Q. All right.

Now, when Andy Mannarino went out, do you recall whether Mr. Hansen had already been told at that point that having refused to resign, he had been or was terminated?

A. I believe he had been told that, yes.

Q. When Mr. Mannarino returned after going out, did he say, in exact words or in substance, "Cartiglia was called"?

A. Did Andy Mannarino say that?

Q. Yes.

A. No, sir.

Q. He did not?

A. No, sir.

Q. All right.

When Mr. Mannarino returned to the room after [762] going out, did he say, in exact words or in substance, to Mr. Hansen, "They want you to resign"?

A. No, sir.

Q. Did Mr. Hansen say during this meeting, in exact words or in substance, "I'm going to sue you"?

A. No, sir.

Q. Was there any talk of union or union activity at this meeting?

A. No, sir, there wasn't.

Q. After Mr. Hansen left, what, if any, conversation did you have with Mr. Mannarino?

A. After Ed left with Larry, Andy and I went back into my office.

Q. Larry is Mr. Deaner?

A. Yes.

Q. Go ahead.

A. At that time, we discussed very, very briefly what had gone on there.

I indicated to Andy, and he agreed with me, that Eddie's flustering and emotionalism sort of indicated that he more or less was caught doing something that he shouldn't have been doing.

* * * * *

[763] Now, calling your attention to the following day, which was August 29, 1972, did you receive a telephone call from

Mr. Belger concerning Mr. Hansen—pardon me—from Mr. Cartiglia concerning Mr. Hansen?

A. Yes, I did.

Q. All right.

Would you please tell what that—what was said in that conversation?

A. Yes.

John told me that he had received a call from Ed Hansen, and Ed Hansen would like to speak with John, he and his wife would like to come to talk to John.

John asked me to be present at the conversation.

Q. And did you attend a meeting which Mr. Cartiglia held with Mr. Hansen and his wife on August 30, 19—.

A. Yes, I did.

Q. —72?

A. Yes, I did.

Q. Were you, Mr. Cartiglia and the Hansens the only ones present at that meeting?

A. Yes, we were.

[764] Q. Would you please tell, as nearly as you can remember, what was said at that meeting?

A. Well, as far as I can recall, Mrs. Hansen did most of the talking.

Eddie spoke very, very briefly. He indicated that he knew why he had been fired and he knew what he had to do.

John Cartiglia said to Ed, "Well, do whatever you have to do."

Mrs. Hansen pleaded to Mr. Cartiglia to take Ed back.

Mr. Cartiglia said, "No."

Q. Do you recall anything else that was said in that conversation?

A. Mrs. Hansen did indicate that she felt that the punishment was too severe to fit the crime, she indicated that she felt to blame because she had always wanted a fur coat that he was losing his job.

John asked Mrs. Hansen what kind of a coat it was.
She said something to do with—some sort of length, I didn't recall.

And John said, "Well, it was indicated that it was a full-length coat."

She said, "Well, on me, I'm a short woman, it is a full-length coat," something to that effect.

[765] That's about all I can recall of the conversation.

Q. And was there any mention of union at that meeting?

A. No, there wasn't.

* * * * *

Cross-Examination

By Mr. Appell:

* * * * *

[772] Q. Do you recall how many meetings Cartiglia had in your office with employees?

A. You'll have to narrow that question down now to a specific period of time.

Q. Well, how often—well, you testified to a meeting that Cartiglia had with employees.

Is that correct?

A. Yes.

Q. Did he ever have any other meetings with employees at any other time?

A. John used to come on occasion and go throughout the office and speak with people.

Q. I see.

Well, in October of 1971, did he come to visit?

A. Yes, he did.

Q. And did he speak with employees then?

A. Yes, he did.

Q. And did he speak with employees then?

A. Yes, he did.

Q. Was this after he had put out his first letter about the ACA union or before?

A. Gee, I don't know the sequence in time dealing with the unions.

Q. Before or after he put out his letter about the Local 365 of the UAW?

[773] A. I really can't tell you.

Q. And—

A. I think at that time it was probably after his first letter, I would assume.

Q. Well, do you remember Mr. Cartiglia mentioning any union to employees?

A. No.

Q. He did distribute letters to employees, did he not, or he offered a letter to employees?

A. Yes.

I distributed the letters.

Q. I see.

And there were two letters; is that correct?

A. I believe there were, yes.

Q. I believe there were, yes.

Q. You distributed both of them?

A. I believe I did, yes.

Q. And on whose instructions did you do that?

A. Instructions from Mr. Cartiglia.

Q. Do you remember what he said to you at the time you distributed each of these letters?

A. He just asked all of the managers to distribute these flyers to the people.

Q. And did he meet with the managers concerning the union problem?

[774] A. I can recall one such meeting, yes.

Q. When was that?

A. I think it might have been before the first flyer went out.

Q. Was that in reference to the ACA or the Local 365 UAW?

A. I think it was ACA.

Q. Do you remember what he said at that time?

A. Well, he just indicated to us that this flyer was going to be distributed to all the people. He cautioned us about talking with any of the people about soliciting information, about spying or interrogating and things like that.

Q. Would it be fair to state that you were personally opposed to Local 365 coming in at Allstate?

A. I didn't see any useful purpose that they could serve, Mr. Appell.

Q. And did you express this position to anybody?

A. Anybody in the office?

Q. That's right.

A. Anybody in the Baldwin office?

Q. That's right.

A. Probably to Larry Deaner and Richie Hicks, yes.

Q. And to anybody else?

A. No.

[775] Q. Anybody else that you can now recall?

A. No, none that I can recall.

Q. Do you ever recall employees coming to you and talking about the union?

A. Talking about the union?

Q. Yes.

Mentioning the union, saying anything to you about the union, asking you anything about the union?

A. No, no, I, frankly, can't recall that.

I had heard that there was a lot of talk going on in the floor, yes.

Q. How did you hear that?

A. Through my supervisors.

Q. And did they say how they found out about this talk?

A. No, they didn't say.

Q. And what did they say they heard?

A. Well, they would come into me and tell me that, on occasion, the employees were getting flyers in the mail and things like that.

Q. And do you know what those flyers were about?

A. As a matter of fact, one such flyer was left—I found it on my desk one morning, yes.

Q. And do you remember what that flyer said?

A. I don't recall the contents.

[776] Q. Well, was it about a union meeting?

A. No.

I don't think this particular one was about a union meeting.

This particular one was regarding, I think, some group of individuals who wanted regional's adjusted salaries and things like that. It was signed by the hopeful five, or something like that, something along those lines.

It didn't mention any kind of particular meeting.

Q. Is it your testimony that you have absolutely no idea how that flyer got on your desk?

A. Yes, it is, oddly enough, right.

Q. Now, at the meeting that Cartiglia had where Hansen was present, were you present throughout that meeting?

A. I'm sorry, you'll have to repeat that question.

Q. Sure.

At the meeting that Cartiglia had with employees when Hansen was present, were you present throughout that meeting?

A. I was present at every meeting, yes.

Q. And you said you recall some fellows making some suggestions.

A. Yes.

[777] Q. Which employees made such suggestions?

A. Well, I'm trying to think of some of the suggestions that were made. I know one fellow was suggesting something about the use of—the property fellow regarding the use of wallpaper, our evaluation on wallpaper.

I'm sorry, I can't remember his name.

Another fellow suggested rather than getting snow tires at Sears, he asked if we could—if they could get snow tires at a local tire dealer rather than wait at Sears. Things like that.

But explicitly who, I couldn't tell you.

Q. Do you recall any discussion by any employees about pensions and the right of employees to have better pension guarantees?

A. I recall a discussion regarding that. I also recall—and this was one of the reasons why Mr. Cartiglia came around, because there had been a misconception among the employees regarding this pension fund.

John, more or less, explained the ins and outs of the pension to the employees.

Q. Which employees discussed pensions at this meeting, if any?

A. I think it was a couple of the ex-policemen, to be honest with you. You know, who it was exactly, I don't recall.

[778] Q. Did you know at the time that Mr. Hansen was a former policeman?

A. Oh, sure.

Q. Do you recall anybody discussing company rules and their possibly being unfair?

A. No.

You'd have to give me an exact company rule possibly to refresh my memory.

Q. Did Mr. Cartiglia talk about wages or salaries at that meeting or at these meetings that he held?

A. Yes.

He indicated that the company policy, as far as salaries go, is based purely on merit and things like that, yes.

Q. Did he discuss possible raises?

A. No, no.

Q. Did you see Cartiglia write anything down at that meeting where Hansen was present?

A. Yes.

Q. What?

A. Mr. Cartiglia was writing down these suggestions, sir.

Q. Do you remember who was sitting where at that meeting?

A. Well, what we did was, we put two or three tables [779] together and we all sat around these tables.

Q. Did Cartiglia write anybody's names down as they gave suggestions?

A. Not to my knowledge, no.

Q. Did you see the paper that he was writing on?

A. Yes.

I saw him writing down these suggestions.

In other words, an individual would make a suggestion, and John would say, "Well, gee, that's a good suggestion," and then there would be a pause while he wrote down the suggestion.

* * * * *

[795] *Redirect Examination*

By Mr. Lederer:

* * * * *

Q. Mr. Belger, in the meetings that were held in the Baldwin office by Mr. Cartiglia were you present, including the one with Mr. Hansen, was there any mention or [796] discussion of the union in any of those meetings or union subject?

A. No, there wasn't.

* * * * *

[797] Q. So that is it not correct that if Mr. Hansen had made inaccurate or untrue statements to a file in the handling of the file, such inaccurate or untrue statements might never have come to the attention of his supervisors or upper management?

Mr. Appell: Objection.

Judge Sarrica: Overruled.

A. That is possible, yes.

Q. In such a case, is it not also true that—strike that.

So that is it not true that in processing claims, an adjuster such as Hansen's honesty or integrity is not necessarily tested?

Mr. Appell: Objection. I object to the form of the question, your Honor.

Judge Sarrica: Overruled.

You may answer the question.

A. That is true.

* * * * *

[798] Judge Sarrica: You are the individual who determined to make the settlement payment to Mr. Hansen and have the check drawn; is this correct?

The Witness: Yes.

Judge Sarrica: There was an initial claims consideration made by an individual by what name, the young lady who testified earlier in the hearing?

[799] The Witness: Caren Cramer.

Judge Sarrica: Caren Cramer?

The Witness: Yes.

Judge Sarrica: And the immediate supervisor reviewed this file, did he not?

The Witness: Yes.

Judge Sarrica: Was there any other individual who saw this file before the decision was made to make the payment on the initial claim?

The Witness: I don't—I don't know. I would say no, probably not.

Judge Sarrica: Is there anyone in the line of hierarchy between you and Caren Cramer's supervisor?

The Witness: Yes, there is.

Judge Sarrica: Who is that?

The Witness: Richard Hicks.

Judge Sarrica: Do you know whether this claim went through him?

The Witness: I believe it didn't.

Judge Sarrica: When it was decided that Mr. Hansen should be discharged for his participation in this claim, was any reprimand of any type meted out to any of the individuals we have just discussed?

The Witness: No, ma'am.

Judge Sarrica: Was any investigation made as [800] to the part of each individual and the responsibility for any omission in the file?

* * * * *

[805] JOHN J. CARTIGLIA was called as a witness by and on behalf of the Respondent and, having been first duly sworn, was examined and testified as follows:

* * * * *

Direct Examination

Q. (By Mr. Lederer.) Will you state your full name for the record, please?

A. John Cartiglia.

Q. Where do you live, Mr. Cartiglia?

A. 37 Deer Path Lane, Syosset, New York.

Q. By whom are you employed?

A. The Allstate Insurance Company.

[806] Q. In what capacity?

A. I'm the regional claims manager.

Q. And where is your office location?

A. 201 Old Country Road, Huntington Station.

Q. How long have you held this position?

A. Approximately eight years.

Q. Now, Mr. Cartiglia, calling your attention to late October, 1971, did you hold meetings with the employees in various offices in your region at that time?

A. Yes, starting about mid-October, I had meetings with all of the employees throughout the region.

Q. Was Baldwin one of those offices in which you held such meetings?

A. Yes, it was.

Q. Do you recall addressing various groups of Baldwin, one of which included Mr. Ed Hansen?

A. I spoke to groups in all of the offices.

I took them in sections, depending on the unit that they were working in, so that they would have like problems.

When I talked with the field casualty adjusters I'm sure Mr. Hansen was one of them.

Q. Was Mr. Don Belger in all your meetings at Baldwin, as far as you remember?

A. As a matter of course, I had the district claim [807] manager in each service office join me at these meetings.

Baldwin being one of them, Mr. Belger was obviously present.

Q. Would you please tell generally what you said in these meetings at Baldwin to the employees?

A. Well, there was a great deal of unrest going on among the claim people and what I was trying to do was to straighten out any problems that they may have and to get them back on doing their job.

So I sat at these meetings.

They were rather informal, and I asked them if they had any problems or anything they wanted to discuss with me, and various subjects did come up and we did discuss various subjects and if they presented a problem that I could solve I attempted to solve it.

Q. All right, to the best of your recollection, what did Mr. Hansen say or do in any of these meetings that he attended?

A. I have no recollection of his standing out in any way or—I have no recollection of him, independent.

Q. Did you, in any of these meetings at Baldwin, write Hansen's name down on a piece of paper for any reason?

A. No, I did not.

Q. Did you, in any of these meetings at Baldwin, [808] become annoyed with any of the people with whom you talked.

A. No, I did not.

I was trying to kind of calm things down.

I certainly wouldn't get annoyed.

Q. I take it, then, that you didn't become annoyed at any one of these meetings at Mr. Hansen?

Mr. Appell: Objection.

A. No, I did not.

Mr. Appell: Objection.

Judge Sarrica: Overruled.

The Witness: Sorry.

No, I did not.

Q. (By Mr. Lederer.) How relatively vocal were any of the employees, to the best of your recollection, at the meetings at Baldwin?

A. It was kind of an informal and a general discussion.

Some of them would suggest something and someone else would chip in and say "Yes, that's a good idea," or "I don't agree with that."

There were times when they disagreed with each other, too.

There was no one that really stood out as a leader or someone who was, who stood out in my mind.

Q. Did you do any writing while you were conducting these meetings at Baldwin?

[809] A. Yes, I took some notes.

Q. Would you please tell how that occurred and what you did?

A. Well, people would make suggestions and I knew that I couldn't possibly remember everything that was said and there were things that I felt we could correct, and I made notes of those things so that when I got back to the office I could have those matters corrected and attended to.

And those were the notes that I took.

They were not extensive.

I did not make them for any long-range plans that I may have.

It was just something that I jotted down that I was going to take care of when I got back to the office.

Q. Did you write anybody's name down in connection with these notes you were making?

A. No, I did not.

Q. When was the Hansen matter first brought to your attention?

A. It was early June.

It was brought to my attention by Dominick Minelli who came in to see me and told me that he had a file involving an employee.

He gave me the employee's name, Edgar Hansen [810] he told me that, apparently, Mr. Hansen had misrepresented to our furrier the price of the coat and the length of the coat and, as a result, we had paid \$1,370 on a coat wherein he had only paid \$840 for the coat a short time prior to its loss.

He also said that Mr. Hansen was unable to produce any receipts or that the file did not contain any evidence of any receipts and he felt this was a fraud that Mr. Hansen had perpetrated upon the Company.

Q. What if anything did you say to him in that conversation?

A. Well, I asked him at that time to reduce this to writing and to submit it to me with the file as I wanted to go over it personally.

Q. All right, did you talk to Mr. Minelli again before receiving anything in writing from him?

A. Not relative to the Hansen matter, no.

Q. I show you a copy of a document in evidence here as Respondent's Exhibit 5 and ask you whether or not you received the original of that memorandum on or about the date it bears?

A. Yes, I did.

Q. When you read this memorandum, what if any preliminary prognosis did you make as to the Hansen matter?

Mr. Appell: Objection.

[811] Judge Sarrica: May I hear the question again, please?

(The pending question read by the reporter.)

Judge Sarrica: Overruled.

A. Well, it was, it struck me as a rather serious matter.

It involved the integrity of an employee, a long-term employee, but I was not completely satisfied in my own mind at this point as to what action was warranted.

Q. (By Mr. Lederer) Excuse me.

Let me stop you at that point.

Did the file accompany this memorandum and was that along with it when you looked at it?

A. Yes, when I received the memorandum it was attached to the file.

Q. That's the claim file, is that correct?

A. Yes, sir.

Q. Now, will you proceed to finish your answer to the other question?

A. Well, as I say, I knew it was a rather serious matter and I felt we were going to have to do something, but it was not clear in my mind exactly what I wanted to do.

He was a long service employee and I wasn't completely satisfied at this point.

[812] Q. What was there about it that made you feel that you weren't completely satisfied?

A. Well, the only thing in the file at that time that I recall that bill, dealing with the value of the coat, was what Mr. Hansen had said to our furrier.

He had, according to the memo in the file from Mr. Schachner, he had said he paid \$1,800 and that it was a long coat, that's all that it had.

So I wanted to know from Don Belger, for example, what had been said to him and what he recalled of the events.

Q. Shortly thereafter did you call Mr. Belger?

A. Yes, I did.

Q. Approximately what date would you say that was?

A. I believe it was the 12th of June.

Q. All right, would you please tell what was said by you both in that conversation?

A. Well, I told Don that I had received Mr. Minelli's memo and the file and had read it and that the file contained a receipt from Kleins which had been signed by Mr. Hansen showing he had only paid \$844 or \$840 for the coat.

I asked Mr. Belger if he recalled the situation and—the settlement of this coat or this loss, and he told me, yes, that he recalled it.

[813] He was surprised at Hansen because Hansen had told him he paid \$1,800 for the coat, and—

Mr. Appell: I move to strike Belger's answer as hearsay.
Judge Sarrica: Overruled.

A. And he, frankly, was, he was surprised that I had—he asked me, he said, "Are you sure it's a receipt from Kleins," and I said "Yes."

I then said to him that I was at this time kind of involved in another matter and I wanted him to go over, go back over the events in his own mind.

If he felt he had to talk to anyone, he should, but that I would be back to him to discuss this in greater detail at a future date.

Q. (By Mr. Lederer) During that conversation, was there any mention by either of you of the Union or Union activity?

A. None whatsoever.

Q. Going back to your conversation that you described with Mr. Minelli, during that conversation concerning the Hansen matter was there any mention of the Union or Union activity by either you or Mr. Minelli?

A. None whatsoever.

Q. During your meetings at Baldwin in October of 1971, was there any discussion of the Union during your meetings [814] by anybody, to the best of your recollection?

A. There was no discussion of Unions or anything of that nature at those meetings.

* * * * *

[821] Q. On or about July 19th, 1972, did you telephone to Mr. Belger concerning the Hansen matter?

A. Yes, I—

Mr. Appell: Objection, leading.

Judge Sarrica: Overruled.

A. Yes, I did.

Q. (By Mr. Lederer) All right, would you please tell what was said in that conversation?

A. Well, I called Don and I asked him if he had had a chance to mull over the Hansen matter, and he said yes, but that he had not had an opportunity to discuss it with anyone else at that time; that Hansen had told him the value of the, the price of the coat, which was \$1,800, but he again asked me if I had the bill of sale from Kleins and I said yes, I have it right in front of me.

I then asked him if he wanted to see it and he said "Yes, I would like to see the file," and I said "Fine, I'll send it to you," which I did, along with Mr. Minelli's memorandum.

Q. Did you simply write the name of Don Belger across the memorandum before you sent it?

A. Yes, I did.

[822] I drew a line through my name and put Don Belger.

Q. Now, thereafter, July 27, 1972, did you call Mr. Belger again?

A. Yes, I did.

Q. Would you please tell what was said in that conversation?

A. Well, I asked Don if he had reviewed the file and reviewed Mr. Minelli's memo and he said yes and told me that he had talked with Tom Kane and Tom recalled the conversation that he had had with Hansen in the office at the time of the claim settlement and that Mr. Kane remembered that the, that Mr. Hansen said he paid \$1,800 for the coat.

Mr. Appell: I move to strike beginning with "Mr. Kane remembered."

Mr. Lederer: Is that what he stated?

The Witness: Yes, that's what he stated.

Mr. Appell: As hearsay.

Judge Sarica: Overruled.

A. He then told me that he felt that Hansen had lied to him, which was a kind of a surprise to him, and he said that—I then asked him what was his conclusion, and he said that he would recommend Mr. Hansen's termination.

I told him to put in writing, send it to me along [823] with—and return the claim file.

Q. (By Mr. Lederer) I show you a copy of Respondent's Exhibit 6 in evidence here and ask you whether or not you received this memorandum from Mr. Belger on or about the date it bears?

A. Yes.

* * * *

[825] Q. Will you please tell the basis upon which you wrote the memorandum to Mr. Amis constituting Respondent's Exhibit 8?

A. Well, I sent him this memorandum based on my discussions with Mr. Belger and my review of the file.

I felt that Mr. Hansen had lied to Mr. Belger and, therefore, was no longer to be considered a trusted employee and I prepared this memorandum, sent it to Mr. Amis, in essence asking for permission or approval to terminate Mr. Hansen.

Q. For what reason did you consider Mr. Hansen having lied would show that he was no longer a trusted employee?

A. Well, we have to rely on these fellows and the report that they submit to us and what they tell us they have done and what people have reported to them, as well as the investigation on occasion.

If a man lies to his manager, at what point can you now say "I trust him"?

How can you work with a man that you don't, you can't rely on?

He's reporting to you as a manager, he's telling you things about cases, he, he evaluates witnesses.

If you're never sure, you can't rely or properly [826] evaluate cases.

Q. Was there anything about the subject matter regarding which you felt on the basis of your investigation Mr. Hansen had lied which affected your judgment in that regard?

A. Well, I thought he had lied to Mr. Schackner in stating that he had paid \$1,800 for the coat and that it was a long coat.

This was, again, confirmed when I talked with Belger and Belger told me that Hansen said he paid \$1,800 for the coat, for the coat.

* * * * *

[832] Q. (By Mr. Lederer) Approximately the middle of August 1972, did you receive a telephone call from Mr. Mannarino concerning the Hansen matter?

A. Yes, I did.

Q. Will you please tell what was said in that conversation?

A. Well, I had a discussion with him and told him that I was still waiting for approval and asked him if he had had a chance to look into it and he said yes, that he had talked to Don about the matter and that Don had told him that he recalled Hansen saying that he paid \$1,800 for the coat and that he had talked to Tom Kane.

When I say "he," I mean Don Belger had talked to Tom Kane, and that Tom also recalls Hansen having said he paid \$1,800 for the coat.

[833] Mr. Appell: I move to strike as hearsay.

Judge Sarica: Overruled.

A. And I then asked Andy what he thought of the matter and he—we talked for a few minutes about Edgar Hansen himself and then Andy said that, in his opinion, the terminal (sic) was the proper course.

Q. (By Mr. Lederer) Was that all there was to that conversation?

A. Yes, as best as I recall.

Q. Was there any mention of the Union or Union matters in that conversation?

A. None whatsoever.

Q. Was there any mention of Union or Union matters in the conversations you have described, or conversation you described with Mr. Casey?

A. No.

Q. Was there any mention of Union or Union matters in the conversation you described with the regional personnel manager?

A. No.

Q. How about in your conversation with Mannarino other than this one, the others that you described?

Was there any mention of Union or Union matters in your other conversations with Mr. Mannarino?

A. There was no connection.

[834] No, there was no discussion at all.

* * * * *

Q. All right now, calling your attention specifically to the 28th day of August 1972, did you call either Mr. Belger or Mr. Mannarino while Mr. Mannarino was in Mr. Belger's office that day?

A. Yes, I called Don Belger.

Q. And did you talk to Don Belger?

A. Yes, I did.

Q. What was said, if you will tell, please?

A. I told Don that we had received the approval to terminate Mr. Hansen and we should terminate him today, if we can get him, because some times they are out in the [835] field.

I then asked if I could talk to Mannarino and he put Andy on.

I talked to Andy and told him substantially the same thing and told him that I thought he should handle the termination and to have Don present and then to make sure that he gets the Company car and whatever other paraphernalia of the Company Mr. Hansen had.

Q. How did you know that Mr. Mannarino was in Mr. Belger's office at that time?

A. Well, he's traveled—the division claim managers spend the bulk of their time out in the field, so when I called Don Don told me he was there.

Q. Approximately what time on the 28th did you have these conversations with Mr. Mannarino and Mr. Belger?

A. I would say midday or early afternoon.

Q. Was there any mention of Union or Union considerations in those conversations.

A. None at all.

Q. Later that day, did you receive a telephone call from Mr. Mannarino?

A. Yes, after the termination Andy called to let me know what had happened.

Q. Did you ask him to call you later that day in your earlier conversation with him?

[836] A. It's the customary thing.

Whenever you have a termination of this nature, the division claim manager or the district claim manager will call you to tell you what occurred at the termination.

You do want to know.

You want to be kept informed of these things.

Q. Will you please tell, as nearly as you can remember, exactly what Mr. Mannarino said during this phone call and what you said to him?

A. Well, he told me what had occurred at the termination, how Mr. Hansen had reacted to the statements that were made to him.

Mr. Appell: I move to strike.

Judge Sarrica: Granted.

The question again?

(The pending question read by the reporter.)

Judge Sarrica: Exactly what was said.

Mr. Lederer: Just what was said.

A. I see. I'm sorry.

He told me that Hansen had been called into the office and he, Andy, had told Mr. Hansen that we had a problem regarding the loss involving his wife's fur coat and that as near as I recall Andy said to him "You lied to Mr. Belger and he would like you to resign, or we'd like to have your resignation."

[837] He told me that Mr. Hansen became quite excited and walked up and down and said "No, I won't resign," and Andy said to him, told him that—he said to him that "I have to ask for your termination."

Mr. Hansen said: "I would like to go out and talk to my wife," and Andy said "That would serve no useful purpose because you're the party and you know what it's all about," and he then told me that Andy had talked—Hansen had talked for some time beyond that and then left, left the office.

Mr. Appell: Move to strike the entire answer as hearsay.

Judge Sarrica: Overruled.

A. (Continuing) I asked Andy how, how he felt about the matter, you know, "What do you, how do you feel now that it's all over?"

He said that he felt that Hansen had bluffed it quite a bit but that he knew that he had done something wrong.

Mr. Stickler: Pardon me.

I couldn't hear the answer.

Mr. Appell: I move to strike—

Mr. Lederer: He knew he had done something wrong.

Judge Sarrica: You had a motion?

Mr. Appell: To strike, yes.

[838] Judge Sarrica: Overruled.

The Witness: That was about it.

Q. (By Mr. Lederer) All right, in exact words or in substance, did Mr. Mannarino in this conversation ask you what to do because Hansen had refused to resign?

Mr. Appell: Objection.

Judge Sarrica: Is that from one of the statements?

Mr. Lederer: Yes.

Judge Sarrica: Overruled.

Mr. Lederer: This was Mr. Hansen's testimony.

A. There was no need for him to ask that question because he was to terminate Mr. Hansen.

Whether he resigned or not, he was to be terminated.

Q. (By Mr. Lederer) I am asking you, did he ask you that question?

A. No, he did not.

Q. Now, the next day, August 29, 1972, did you receive a phone call from Mr. Hansen?

A. Yes, I did.

Q. Let me ask you first, before going any further, in your conversation with Mr. Mannarino which you have related immediately before, was there any mention of Union or Union matters?

A. No, nothing.

Q. Now, what was said in this phone call with Mr. Hansen?

[839] A. Well, he asked me if he could talk to me about the matter, regarding his termination, and he asked if he could come in to see me, and I said all right.

He then said he would like to bring his wife in when he came in to see me and I told him that that was all right with me.

I asked him if the next day would be a good day for him and he said yes.

He set the time.

As I recall, it was around 4:00 o'clock, and I said to him "I'll talk to you tomorrow," and that was our conversation.

* * * * *

Q. (By Mr. Lederer) All right, did you meet with Mr. Hansen and his wife on August 30, 1972?

A. Yes, I did.

Q. Was anyone else present at that meeting?

A. Yes.

I asked Don Belger to attend that meeting with me.

Q. Would you please tell what was said at that meeting?

A. Well, Mr. and Mrs. Hansen came in to talk to me [840] about the termination and, very frankly, at the outset I told them

that my decision was final, because I didn't want to build up any false ups (sic) in them, in getting involved in a long discussion and create the impression that I was maybe going to reverse myself.

Mrs. Hansen did most of the talking and she talked along the vein that the punishment was too severe for the crime and why don't we give him a second chance, and Mr. Hansen said "Why not take away my company car and assign me to a different office rather than termination?"

I told him that he had lied to Mr. Belger and, therefore, the termination was final.

Mrs. Hansen talked about the fur coat and she talked about how she had caused all this because she wanted a fur coat, and so on.

I asked her if it was a long or a short coat.

She said it was a short coat, but stood up and indicated her knees and said "But I'm a short person, so what's a short coat on me is a long coat," and I didn't discuss the coat any further.

She then asked me would I consider and take him back and I told her, no, that the decision was final, and there was nothing further we could do.

Q. When you said that Mr. Hansen lied about the price of the coat did Mr. Hansen answer that in any way?

[841] A. Yes, he, he did say that he had maintained that the coat was worth \$1,800, and we didn't pursue it any further.

I didn't want to get involved in a discussion on that all over again, so I didn't say anything.

Mrs. Hansen said that they had, because of the problems with the Alaskan seals at that time, that her children had talked to her and she had decided against replacing the fur coat and that's the reason why they had settled it rather than replace.

That's my recollection of the conversation.

Q. In view of your statement at the beginning of the meeting that your decision was going to stand as to the termination of Mr. Hansen, why did you hold this meeting?

Mr. Appell: Objection.

Judge Sarrica: Overruled.

A. Well, he had called me and he was a long term employee and I felt I owed him that courtesy.

You just don't say "That's it," and you fall in a hole.

I felt I owed him the courtesy of meeting with him and talking to him.

Mr. Lederer: I now ask that the Reporter mark this document, which needs clipping together, I see, as Respondent's Exhibit No. 10.

(The document above-referred to [842] was marked Respondent's Exhibit No. 10 for identification.)

Q. (By Mr. Lederer) I now show you a document which has been identified as Exhibit No. 10 and ask you whether or not you sent this document to Mr. Amis on or about the date it bears?

A. Yes.

Q. I notice that there is a line drawn through the first page and that the initials or the signature purporting to be that of Mr. Amis and the date 9/8/72 appears at the upper right-hand corner.

Would you explain that, if you can, please?

A. Yes.

That would indicate that on the 8th of September Mr. Amis read the memo, he dated it, signed it, and sent it up to personnel for insertion in the personnel file.

Mr. Lederer: I now offer this document in evidence as Respondent's Exhibit No. 10.

Mr. Appell: I object.

This is after the discharge.

It is self-serving. It is hearsay.

Judge Sarrica: Respondent's Exhibit No. 10 is hereby received over the objection of the General Counsel.

(The document above-referred to heretofore marked Respondent's Exhibit No. 10, was received in evidence.)

[843] Q. (By Mr. Lederer) Since the matter of Union activity in your region first came to your knowledge, to your knowledge has anyone been retaliated against or in any way disadvantaged for Union reasons?

Mr. Appell: Objection.

Judge Sarrica: Sustained.

Mr. Lederer: I offer to prove by this witness, and I hereby make the following offer of proof, that if this witness were permitted to testify in answer to the last question he would state that since his first knowledge of the Union activity in this region there has not been anyone who has been retaliated against, discharged or in any way discriminated against because of or in any way connected with activity to or sympathy or membership or connection in any way with the Charging Party herein or any other labor organization.

End of offer of proof.

Q. (By Mr. Lederer) To your knowledge, did any individuals proclaim their active connection with or support of the Charging Party in this proceeding?

A. I'm sorry, I don't quite understand the question.

[844] Q. Let me rephrase the question.

Judge Sarrica: Let's have it read.

(The pending question read by the Reporter.)

A. Yes, there were—it's hard to describe the attitude at that time, but it was over discussions among some of the people and there was no question that there was a Union drive going on and the people knew it and they were talking about it.

Q. To your knowledge, were any individuals proclaiming themselves to be leaders in reference to this organizational drive?

A. Yes.

Q. And are all of those persons who so proclaimed themselves still working for Allstate Insurance Company?

A. Yes.

Q. Did Mr. Hansen ever give any indication that came to your attention that he was in any way supporting or active in the work of the Charging Party in this proceeding?

A. No, he did not.

Q. I believe you were here one of the initial days of this hearing at which a Mr. Greene was called as a witness.

A. Yes, I was.

Q. Do you recall that?

A. Yes, I was.

[845] Q. To your knowledge, was Mr. Greene an active supporter of the Charging Party?

A. I believe he was.

Q. Do you know how it happened that he received, as he testified, a telephone call and during that call was told that he would receive a wage increase?

A. When increases are giving out, the practice is for the Personnel Department to notify the manager, who notifies the supervisor of the individual.

The supervisor then gives the word to that person as soon as possible.

Q. Why is that?

A. Because, well because it may appear in his pay check, his or her pay check, before they've been told, and that never looks good.

Secondly, it's, it's good news, and they like to get it out as soon as possible, particularly when people are out of the office.

It is not unusual for a phone call to be made to give them the information.

* * * * *

[846]

Cross-Examination

Q. (By Mr. Appell) Mr. Cartiglia, could you give us an idea of Mr. Hansen's relative seniority among the claim adjusters in your region?

A. Well, he's had 12 years with the Company, or he had 12 years with the Company.

He would be considered a long-term employee.

I couldn't rank him. I don't know.

* * * *

[847] Q. Mr. Cartiglia, you stated there was a great deal of unrest among employees.

Can you define that term unrest?

A. Well, my managers reported to me that there was, people were gathering and talking in the office, and it was their impression that they were not talking business.

By that I mean not the claim business.

That there was a lot of—you can tell when you look out over an office when the people are working and when they're doing something else.

You know when, for example, people get up and have a cup of coffee or chatting and then you can tell when there is unrest in the office.

Q. Who made the reports to you?

A. Well, I would receive the reports from the division claim managers.

Q. Who was that?

A. That would be Bob Gasser and Andy Mannarino.

Q. When did they first make these reports to you?

A. This was late September, early October.

Probably early October.

[848] Q. And was some of that unrest Union activities? Was Union sentiment being discussed?

A. Absolutely, yes.

Q. And it was in response to this unrest that you went and had the meeting that you did, is that correct?

A. Yes, that's correct.

Q. And it was in response, therefore, to the Union activities, at least in part—

Mr. Lederer: Objection.

There isn't any reason why the two are synonymous and to attempt to put it in one sentence—

Mr. Appell: Your Honor, I have not finished my question.

Mr. Lederer: Just a moment.

To make it appear synonymous is improper. I object to the form of the question.

Judge Sarrica: Objection overruled.

Mr. Appell: Your Honor, I would appreciate, your Honor, if Counsel for Respondent allows me to finish my question before making any appropriate objections that he deems necessary.

Mr. Lederer: Counsel dropped his voice and I thought he had finished his question.

Mr. Appell: May I have back that part of my question which I had stated, please?

[849] (The incomplete pending question read by the Reporter.)

Q. (By Mr. Appell) And it was in response to the Union activities, at least in part, that you made your visits to the various offices, is that correct?

A. It's an awfully big operation and they carry a heck of a lot of responsibility and they're spending an awful lot of money.

Whenever you get anything that disrupts your operation of this nature, you have to do something to kind of calm it down and get them back to doing the job they're being paid for, and this is what I went out to do, what I went out to do was to try to calm them down, get them back to doing their job settling claims.

That was our business and that is what I was trying to get them to do.

Q. Is it your feeling that Union activity was not part of the Allstate employees job?

A. During business hours?

I felt during business hours they should be devoting it to handling claims.

Q. Well, when you went to these meetings with the employees did you tell them to please concentrate on their job, on the claims?

A. We talked generally about things, the problems that [850] they may have, procedures that we thought we could improve upon.

Did I specifically say to them "Stop what you're doing and concentrate on claims"?

A. I did not, no.

Q. In other words, you were trying to solve some of the root causes of this unrest that you saw and that was the purpose of your visit rather than the specific problem the people were talking on Company time; isn't that correct?

Mr. Lederer: Objection. I don't think there is any logic in the connection between the previous idea and this one so that to make it appear that there is a logical transition is improper.

I object to the form of the question.

Judge Sarica: Overruled.

You have the question?

The Witness: I believe I do.

A. You say "root causes."

That's kind of hard to get down.

What do you mean by root causes?

Because, all I can do is to solve some of the problems that were within my jurisdiction, my authority, and that's what I went out to do.

Q. (By Mr. Appell) What date or dates did you have these meetings at the various Long Island offices?

[851] A. It started early October, maybe mid-October, and continued until completion, which ran into November, I'd say probably toward the end of November, 1971.

Q. Mr. Cartiglia, I show you General Counsel's Exhibit 7. Did you compose that statement?

A. Yes.

Q. What date did you compose it?

A. Well, either October 4th or October 5th, because it's dated October 5th.

Q. Is that the date that you had it distributed amongst your employees?

A. Yes.

Q. Who instructed you, if anyone, to draft this letter?

A. No one did.

Q. How did the matter of the American Communications Association first come to your attention?

A. I received reports from my division that this organization was trying to organize our employees.

Q. And who made such reports to you and when?

A. My division claim managers.

Q. When did they make these reports?

A. Prior to this.

I'd say the first week in October.

Q. What did you say to them when they made this report?

[852] A. I just told them to keep me informed of any activities that they heard of.

We had been instructed and we understood that we were not to in any way engage in trying to probe this.

Mr. Appell: I move to strike the last sentence as not responsive.

Judge Sarria: Granted.

Q. (By Mr. Appell) Who instructed you to write this letter?

A. No one instructed me to write it, no.

Q. Did you consult with any members of management before you wrote the letter?

A. Before or during, what I did was—

Q. First, before.

A. I wanted to get a communication out with all of the people, and I wanted to do it the quickest way I could, I thought a letter would be the quickest way.

When I drafted the letter, I talked to the Personnel Department and told them that I wanted to do this and this was the proposed letter.

Q. With whom did you discuss it?

A. I talked with our Personnel Department, Mr. Morris, and then on up.

Q. Where is Mr. Morris' office?

A. He's right upstairs from my office.

[853] Q. Did you need his approval to do this?

A. No, no.

Q. Do you know if he checked with anyone as to the propriety of this letter?

A. I believe we went further, yes.

Q. How did you do that?

A. We then talked with the Zone, Mr. Dufford, and in home office with Mr. Owens.

Q. And whom did you speak with in the home office?

A. Mr. Owens.

Q. Mr. Owens?

What's his title?

A. He's an assistant V. P. in Personnel.

Q. Is he the top ranking individual with respect to Personnel in the Allstate Insurance Company?

A. No, there is a vice president.

Q. Who is that?

A. That would be Mallen Gayland (Phonetic).

Q. Did you speak with Mr. Owen personally?

A. Yes.

Q. What did you say to him, what did he say to you?

A. I told him that there was this unrest in the Claim Department and that I wanted to get a letter out or a flyer out to all our employees.

And this was the letter and what was his opinion [854] of it?

Q. What did he say?

A. He took it and he told me he'd let me know and told me it was all right later on, and I sent it out.

Q. Now, you stated a great number of your Long Island claim people had been reporting stories of Union activity to members of the claim management.

Were these reports made to you?

A. I—

Q. These great number of claim people by—

A. No, I received it through the division claim managers.

Q. Was it your intention to let people know that, make them think that you had received reports from a great number of people?

Mr. Lederer: Objection.

The question isn't clear from its construction.

Judge Sarrica: Overruled.

The Witness: I don't understand.

Q. (By Mr. Appell) Was it your intention to make the people who were receiving this letter think that it was you who had personally received reports from a great number of Long Island claim people?

A. You mean was I telling Mr. Owen that I—

Q. No, the employees who received this letter from you, was it your intention to make them think that you [855] personally had received a great number of reports from a great number of Long Island claim people that you had received these reports personally?

A. I wanted them to know that I had heard of a great deal of unrest among our employees.

Q. Well, you didn't say unrest in this, did you?

Mr. Lederer: I am going to object to arguing with the witness.

Judge Sarrica: Overruled.

A. I don't recall exactly whether I used those words in that letter or not.

Q. (By Mr. Appell) Isn't it a fact that you were seeking to convey that you had been receiving reports of Union activity?

Mr. Lederer: Objection.

This document speaks for itself and it's argumentative.

This is not proper cross-examination.

Judge Sarrica: Overruled.

The Witness: Would you read the question back, please?

(The pending question read by the Reporter.)

A. No, I wanted them to know that I thought there was a lot of unrest and activity going on out there, and I wanted them to, to kind of stop and think about it.

Q. (By Mr. Appell) What kind of unrest?

[856] A. There was a lot of talking going on among the people.

Q. About what?

A. They were—I don't know what they were talking about, but I knew it was not business, or I felt it was not business.

Q. Why did you feel it wasn't business?

Mr. Lederer: Objection.

That question has been asked and answered earlier.

Judge Sarrica: Overruled.

A. Because I had received reports by division claim managers, and again, as I say, when you work in an office over a period of time, you can tell when the people are working, sitting at their desk.

Q. (By Mr. Appell) I show you General Counsel's Exhibit 7 and I ask you to tell her Honor what you regard in there as conveying to the employees the feeling that you had that there was unrest.

A. I think the entire letter conveys that impression.

Q. You can point to no specific statements, is that correct?

A. Well, you know, you're talking about composition of a letter, and you ask me to pick out a specific sentence that's going to say exactly what I was trying to convey in the entire letter?

Q. Where do you say—give me an instance of where [857] you are conveying the idea to people that there is unrest in the Company?

Mr. Lederer: Objection.

This has been asked and answered and the letter speaks for itself.

Judge Sarrica: Sustained.

Mr. Appell: I take it my exception is noted for the record?

Judge Sarrica: Yes.

Q. (By Mr. Appell) When you said in this letter "These people are deeply concerned," in the third line of the letter, which people were you referring to?

A. May I have the letter, please?

Q. Yes.

A. So—I'd be thinking about the management people, the—not only the district claim managers but those below them who had been reporting up.

Q. And were you also referirng to the "great number of our Long Island claim people"—

Mr. Lederer: In what connection?

Q. (Continuing)—in the statement that follows, "These people are deeply concerned"?

A. There may have been some of them in there.

Q. How did you know that they were deeply concerned?

These other people.

[858] A. Because of the reports I was receiving.

Q. And from whom did your management officials receive these reports?

A. Well, the district claim managers would be getting it from their unit managers or their supervisors who would be getting it from adjusters.

Q. Which adjusters—

A. I assume—

Q. (Continuing)—did these reports begin from?

A. You mean by name?

I don't know. It would be the property and casualty adjusters.

There may have been some telephone adjusters in there. I don't know.

Q. Did you know their names at the time you sent that letter out?

A. No, I did not.

Q. Is it your testimony, then, that you made a statement about what certain people had said without checking to see who these people were before you wrote the letter?

A. No, I relied on my managers in their reports to me.

Q. You state "It is reported that the American Comamunica-tions Association, ACA, an affiliate of the Teamsters, is the

Union attempting to sign up Allstate people."

Who reported that and to whom?

[859] A. It would be the same chain.

It would be the adjusters to the supervisors to the district claim managers to the division to me.

Q. And do you know who those adjusters were who made this report?

A. No, I do not.

Q. "This is the Union which was expelled from the CIO." How did you learn that fact?

A. Because I heard it, heard about it.

Q. From whom?

A. Well, from various people. I don't recall exactly now.

Q. Was it anyone in Allstate who informed you of that?

A. Probably was.

I don't remember right now.

Q. And was it somebody from Allstate at about the time you were drafting this letter?

A. Probably.

Q. And isn't it a fact that when you first began contemplating this letter you didn't know that they had been expelled from the CIO?

A. They, they had tried to organize another company and I heard about that.

Q. Which other company?

A. I think it was State Farm, but I'm not positive.

[860] Q. Who told you, if anyone, to insert in this letter the statement that the ACA had been expelled from the CIO?

A. No one told me to insert it in there.

It was a discussion on the letter.

Q. Who told you that this was something you could put in the letter?

Mr. Lederer: Objection.

The witness hasn't testified that anyone told him that.

Objection to the form of the question.

Judge Sarrica: Overruled.

A. You draft a letter and you put down what you think you would like to say and this is what I did, based on the information that I had at that time and my understanding of things at that time.

Q. Who told you that the ACA had experienced a drastic decline in membership among the crafts they normally would represent?

A. Oh, I had heard that because—

Q. Who told it to you?

A. It was the meetings I attended—I don't recall now specifically that—it would be from the Personnel Department.

We got regular reports on what's going on.

Q. When did you receive that information?

[861] Was it about the time you drafted this letter?

A. It would be around that time, yes.

Q. I see.

And did anyone instruct you to put that in this letter or suggest to you that you should put that in this letter?

A. No, it wasn't—I wasn't instructed or suggested.

As I say, I composed a letter and then I submitted it and asked for their opinion on it.

Q. Was any suggestion made as to any additions you might make in this letter?

A. Not that I recall at this time.

Q. In other words, Mr. Owen gave carte blanche approval to your letter, is that correct?

A. You say carte blanche approval.

He approved it.

He said to me "It looks all right. I can't think of any problem."

Q. You did not issue this to the employees until it had Mr. Owen's approval, is that correct?

A. Until I had received approval, yes.

I don't know whether he approved it himself or had it approved.

Q. When you pointed out that the ACA, while it had won elections at Continental and State Farm had not signed [862] a contract, had not been able to obtain a signed contract.

Can you explain why you included that statement to your members?

A. Well, because I didn't think that a Union would really be beneficial to them, and what I was trying to show them was that this would not help them in any way and we were better off dealing with each other as we had been.

Q. And were you trying to suggest that if this Union won at Allstate that there would be no signed contract?

A. No, I couldn't possibly say that.

Q. You talk about authorization cards in this letter.

Had you received information that authorization cards had been circulated?

A. That was my understanding at that time, yes.

Q. From whom did you gather that?

A. From my division claim managers.

Q. Did you instruct them to report further to you on anything else they heard with respect to authorization cards?

A. Their instructions were to report to me anything unusual that happened in their offices.

Q. Do you know if they made any instructions to anyone else based on your instructions?

A. I would assume that they instructed their district claim managers in the same fashion.

[863] Q. Were you under instructions to report to anyone what you heard about the Union's activities?

A. I was told to report to Personnel if I heard any thing.

Q. Who made you that instruction?

A. This is something that you, you learn when you are attending meetings, general meetings.

You are told to report anything unusual on up. You do that.

You report to your regional manager.

Q. Who gave you the instruction to report to higher management on the activity of employees respecting the American Communications Association?

A. I had instructions from my RM.

Q. Who was that?

A. That was James Mark and it was not directed at this particularly but you generally keep him informed of anything that's going on.

It doesn't necessarily have to be concerned with any particular event.

You let him know anything that's disrupting the office.

Q. Now, you refer in your letter to the possibilities of someone pressuring an employee to sign a card.

At the time you composed this letter, did you [864] have any information that indicated that anyone was pressuring anyone else to sign a card?

A. Well, the reports indicated that some people were being button-holed and I construed that as pressure.

Q. Now, you stated signing a card can be like signing a blank check, you can be giving away your rights forever to speak directly to the Company on your personal wages, hours and working conditions.

At whose suggestion, if anyone, was that statement made by you in this letter?

A. Well, it's my understanding that if they sign a card that they are electing or asking a bargaining group or someone to bargain for them.

That's my understanding.

Mr. Appel: I move to strike as not responsive.

Mr. Lederer: I object.

The answer is obviously an attempt to respond to the question and I call attention to the fact that all Counsel is doing is going through this entire letter and attempting to elicit information concerning each specific statement in that letter.

Now, this witness has been attempting all along to answer to the best of his ability, obviously, the things that have been thrown at him in connection with this letter.

[865] Now, for Counsel to take exception to the form of the answer, it seems to me, is to attempt to shape the testimony

of this witness rather than to permit the record to get his candid reactions to all these things, which I think the Law Judge and Board want.

Judge Sarrica: The objection, so far as it refers to the use of the letter by Counsel, is overruled, and I'd like to hear the question and answer to determine whether or not it was responsive.

(The last question and answer read by the Reporter.)

Judge Sarrica: I'll sustain the General Counsel's motion that the answer be stricken and ask you, can you now answer directly the question that was asked?

The Witness: No, I am trying to convey a feeling, Judge.

Judge Sarrica: The question was not your feeling but—

The Witness: I'm sorry.

Judge Sarrica: (Continuing.) —who instructed you.

The Witness: I was not instructed.

Q. (By Mr. Appell.) You cleared this particular sentence with Mr. Owen, did you, before you issued the letter?

Mr. Lederer: Objection.

The witness has already testified that the document [866] was cleared with Mr. Owen or someone to whom Mr. Owen may have referred the document.

Now, this certainly applies to every sentence in it.

The question has been asked and answered.

Judge Sarrica: The objection is overruled.

Mr. Appell: Answer the question, Mr. Cartiglia.

A. I made reference to no particular statement in the letter.

I gave him the entire letter and asked him to approve it.

Q. (By Mr. Appell.) When you stated in the letter "I urge you not to take that first step of signing a card which leads to years of distrust and trouble," can you tell the Judge what you meant by distrust and trouble?

A. I felt that if we ended up in a situation where there was an intervening party between the employees and me, we would always have a gulf between us and that I thought it would be

better for us if we could deal on an individual basis face to face rather than having someone intervene.

Q. Now, at the end of the letter you indicate that you would visit each of the claims offices in the next few days.

Were those meetings the ones that you have already [867] testified to?

A. Yes.

Q. How much discussion did you have with Mr. Owen on the contents of that letter, by the way?

A. That's difficult to say.

On the letter itself?

Q. Yes.

A. Not too much.

He took it and told me he'd get back to me and did.

Q. Did you speak to him personally or over the phone?

A. Personally.

Q. Who else was present when you had that discussion with him?

A. Personnel Department was—I believe Mr. Dufford was there, possibly Mr. Morris.

Q. Mr. Cartiglia, I show you General Counsel's Exhibit No. 13 which is in evidence.

I ask you what date you composed that letter?

A. I believe it was in early March.

Unfortunately, I didn't date it.

Q. In other words, you sent this letter out after you had held the meetings in question here, is that correct?

A. Oh, yes, this in March of '72, I think.

Q. Now, when you met with all the employees in October '71, in which offices did you meet with them?

[868] A. Do you want me to name them by office?

Q. I do.

A. All right.

I met in the Islip Terrace office, Huntington Station, Baldwin, Carle Place, Hollis, Elmhurst, Midwood and Lake Success.

Q. Is it your testimony that in none of these meetings the matter of the Union was ever mentioned?

A. Yes, sir, it did not come up at any of those meetings.

Q. Isn't it a fact that at least at one such meeting you said that if the employees wanted a Union they could have one but they might be giving up their right to ever see you personally?

A. No, sir.

Q. Is it your testimony that you never said that to an employee?

A. There was no discussion about Unions at all these meetings.

Q. Did you ever say that to an employee?

A. No, sir.

Q. Did you ever tell employees that they could always come to you, that your door was opened and talk to you about any problem that they had?

Mr. Lederer: Just a moment.

Are you talking about, is the question about verbally [869] or in a letter or—

[869] Q. Mr. Appell: Orally.

A. This has been my policy as long as I've been a claim manager, and even when I was an assistant.

You always leave your door open, you always tell people that they can come in and talk to you, and they do.

Q. Did you state that at the meetings you held in October 1971?

A. I probably did, yes.

Q. When did you ever tell employees before that your door was always open to them?

A. That's always been a statement.

You, you know, like how often do you say "Good morning"?

That's part of the business, that's part of being a manager.

If you close your door, you're shutting off your, your livelihood, really, because they come to you.

Q. When was the last time before October 1971 that you met with employees in each of the offices under your domain?

A. January or February of '71.

Now you're talking about as a large group?

Q. Yes.

A. Because frequently we're out traveling. January [870] or February of 1971.

Q. Do you recall what that meeting related to?

A. It was a status of, a status report.

You kind of outline where we had been and where we were going.

It generally lasted about an hour. You would get upon (sic) and tell them what they did and what the future looked like and so on.

Q. Is it your testimony that no employee mentioned a Union during the October 1971 meetings?

A. There, there wasn't any discussion about a Union at those meetings.

Q. In the Baldwin meeting, which employees do you recall speaking up?

A. I don't recall any specific individual.

You must remember I talk to 850 some odd people in a short period of time.

I don't remember any specific individual.

Q. So, in other words, when you say you have no recollection of Mr. Hansen standing out, that's because you don't recall anyone who spoke; isn't that correct?

Mr. Lederer: Objection, because of the form of the question, "that's because."

There is no logical connection in any testimony so far to indicate a predicate for that question in [871] its present form.

Judge Sarrica: Overruled.

A. No one stood out to the point to where I would remember them and recall what they said or what they did.

Q. (By Mr. Appell) Do you recall employees speaking?

A. Oh, sure.

Q. Do you recall taking notes?

A. Yes, sir.

Q. And what matters do you recall being discussed in Baldwin?

A. In Baldwin?

Q. Yes.

A. Well, there were a lot of things that came up that were—if I may classify them as relatively minor problems that we could solve without too much, I could do it on my own without any consultation.

Q. Were there any major problems discussed?

A. No, they talked about, some people talked about the pension, and I explained that profit sharing is our pension plan:

That did come up on occasion in some of the other offices too, and I explained what our pension plan was.

Q. How about any discussion about Company rules not being definite or certain in the minds of employees?

A. I can't imagine what Company rules or procedures [872] you're referring to or, frankly, that I heard here.

I can't imagine what rule we're talking about.

Q. Well, do you recall any discussions that people were unfairly discharged at any particular time because they didn't know about a particular Company rule?

A. No, and again, I can't imagine what kind of rules we are talking about.

There is a, the Company has a regular complaint procedure that anyone can follow if they think they have a problem, and that goes all the way up the line.

Q. What is that procedure?

A. There are also—well, they go to the, first they go to the district claim manager, the division—speaking now of the Claims Department.

This applies to all departments.

Then they go to the regional claim manager, to the personnel manager.

They go to the regional manager, then they go to the Zone and then even go up to the home office if they so like.

Q. What complaints are you referring to entailed in that procedure?

A. Any kind of complaints.

Q. Was Mr. Hansen advised, by the way, of those rights or privileges to make an appeal up to the home office?

[873] A. All employees knew that.

* * * * *

[874] Q. What suggestions did you write down at Baldwin?

A. Well, I don't remember specifically now, but you've got a lot of little things that came up.

For example, one of the offices—I don't remember even if it was Baldwin—the girls mentioned to me that they had no shelf under their mirror in the ladies' room, and it, you know, it was so obvious that you just wonder why we never thought of it, so I made a note and had the Service Department install one.

They complained about the ventilation in the offices so—and I don't remember specifically at Baldwin, but these were the nature of the complaints we were receiving.

You do something about that.

Some people talked about a form or forms they thought should be revised.

Generally when it came to forms, I would tell them to put it in the form of a suggestion, because they get a suggestion reward, and this is the kind of discussion that went on.

I can't think of all of them.

As I say, I made notes and corrected the situation, those that I could, and that was it.

Q. You said that the meetings were informal?

A. Yes.

Q. Were they held on working time?

[875] A. Yes.

Q. Were employees required to attend?

A. We asked them to attend.

Now, I didn't direct that they go out in the field and drag everybody in, but they wanted to come in.

Anybody that was on vacation, for example, didn't bother. People who were off didn't bother.

Q. People on duty on those days, did they attend these meetings?

A. Yes, they did.

Q. Who notified them of the meetings?

A. The district claim managers.

Q. On whose instructions?

A. Mine.

Q. Did there come a time in or after October 1971 when employees received wage increases in your region or salary increases?

Mr. Lederer: I am going to object.

If this is an attempt to get in any alleged unfair practices occurring during the 10-B period at this time which were not alleged in the complaint, I think it's completely out of line and I object to this question on that basis.

Judge Sarrica: Overruled.

[876] Mr. Lederer: May I have that same standing objection to this entire line of questioning?

Judge Sarrica: Yes.

Mr. Lederer: Thank you.

A. People are always getting increases in the region except for the period during which the President imposed a freeze.

Every month you receive a certain number of I-8's, which is the paper that initiates a raise, and we gave raises—

Q. For merit?

A. For merit, yes, and for promotion.

Q. During a regular month, how many people receive such increases in your region?

A. It's hard to say, because, in addition to the regular monthly reviews, you have a semianual review.

On a semiannual review, every employee in the Company or in the region is reviewed.

It doesn't necessarily mean that every employee gets a raise, but every employee's name comes up and the manager takes a look with the superintendent, supervisor, and decides to give him a raise or to hold it.

It's hard to say.

It varies depending on the number of people and the ones he has elected to give raises.

[877] Q. Isn't it a fact that most of the people in Long Island got raises in the period October 1971 through April 1972.

A. October '71, that was during the middle of the freeze. You couldn't give a raise until the freeze was lifted.

Q. When was it lifted?

A. Which was the end of November, and that's my, best of my recollection.

The President put it on for three months.

Q. November 1971?

A. It was, he put it on in August and it was lifted in November.

That's my recollection.

Q. Of 1971?

A. Of 1971, yes.

Q. The freeze didn't cover the entire period that I am asking about; isn't that correct?

A. Well, would you give me the period again?

Q. October 1971 to April 1972.

A. Did everyone get a raise?

Q. I said isn't it a fact that the majority of people got a raise in the Long Island region in that period?

Mr. Lederer: I wish at this time again, so that the record is perfectly clear, to object that any such question is with respect to possible allegation of unfair [878] labor practices during a period outside the 10-B period and was not alleged in the

complaint and, consequently, this is an improper question and I wish to have this objection against this entire line of questioning so that the record is clear.

Judge Sarrica: This is the area in which you have a standing objection.

Mr. Lederer: Thank you.

A. In order for me to answer the question, you have to understand that a man or an employee gets a raise within a certain period of time if he merits it.

Generally speaking, it does not go beyond a year.

In many cases, it's less than a year.

The period you have, you are talking about, starts from the beginning of August through April, which is a period of about nine months.

Q. (By Mr. Appell) I said October through April, sir.

A. But you can't, you can't preclude September and August, because that was the date of the freeze, so no one got a raise from the time the freeze started, so you have to—

Q. Let's say from November 1971 to April 1972.

A. I would say a substantial number of people received increases.

Q. Would you say it's a majority?

[879] A. If you want to take the nine months, you have to take into consideration the periods during the freeze.

Q. Take both periods.

A. You can't write that right out of a man's life.

I have got three months to worry about.

Q. Take both periods, from August to November and November to April. Is your answer the same for both periods?

A. A majority of the employees received increases during that period, yes.

Q. During what month did most of these people receive their increases?

A. I don't know.

December, January. They got so many each month.

Q. How about February?

A. Some in February.

Q. March?

A. Some in March.

Q. And?

A. Each month, each month we give increases out.

* * * * *

[881] Q. Did Bob Woodward ever tell you he had reports of Union activity?

A. Not directly.

Q. Did anyone tell you that Bob Woodward reported to him that he had heard of Union activities from employees?

A. You know, there was such a—in the, in the springtime, no, but in the, when it first started in 1971, they were all reporting.

You didn't specify you know, like—it was going on. I knew it.

Now, you don't ask each individual. You just take it from the district claim manager to the division to me.

* * * * *

[882] Q. (By Mr. Appell) And you had heard by that time you had heard of activity for Local 365, had you not?

A. By that time, it was my impression that it was subsiding, that in the spring—in '71 it was active and then it started to subside as time went on.

Q. When did it start subsiding? Do you know?

A. I would say in the spring.

Q. When in the spring?

A. Oh, April, May.

Q. How do you know that?

A. Based on the reports I was receiving.

Q. From whom?

A. My division claim managers.

[883] Q. Under what instructions were they giving you reports about Local 365 activities?

Mr. Lederer: Objection.

This has all been asked and answered.

Judge Sarrica: Overruled.

A. They were not giving me reports as to Local 365 or anything of that.

What they were telling me was what was going on in the office, things were quieting down, people were doing their job, and things were going along the way they should be.

Q. (By Mr. Appell) Did they report to you on Union meetings that they heard of?

A. There was a flyer, as I recall, in April that they told me about.

Q. When did they tell you about that?

A. Exact date? I don't recall.

Q. Approximately?

A. It was some time in April.

Q. So far as you knew, Union activity had not subsided in April; isn't that correct?

Mr. Lederer: Objection. It doesn't follow it hadn't subsided merely because there was never a meeting, a flyer meeting.

That's a non sequitur and I object to the form of [884] the question.

A. I knew that there was still some activity going on out there, but it had subsided.

It was not the mass unrest that we had had earlier.

Things were quieting down.

It's not like you shut a door, you know, and that's it (indicating), but you can tell based on what they were telling me.

Q. (By Mr. Appell) Had it subsided in early March, based on what you heard?

A. It was less than it had been.

Q. Could you explain, then, why you wrote GC 13 when you did?

A. Because I believe at that time there was either some flyer or some further notice, and I felt that possibly this thing would be reactivated again, and I would get all that unrest again.

Q. What made you think it would be reactivated?

A. I believe there was a flyer going out.

It always creates unrest when you get something going into the offices of that nature.

The main purpose, if I may, you know, like me, my job is to get a claim department to function, to serve the customers, and this is what I try to do.

[885] So that anything that disrupts them is of concern to me.

It could be almost anything. You could get a flooding condition.

It disrupts them, and I become concerned about it.

Q. Was it your position that the Union activities and meetings of employees disrupted the operations of Allstate Insurance Company?

A. When you get a lot of people talking about business other than—rather, things other than business, it is disruptive, yes.

Q. Did you ask people, your management, to report to you on any Union meetings they heard outside of Company time?

A. They were asked to report to me on anything unusual that occurred in their office, that comes to their attention.

Q. And was it your position throughout the period in question that Union meetings outside of Company time were disruptive to Allstate Insurance's operation?

A. What happens outside the Company, no, but what is happening within the Company and on Company time, yes.

The discussions, the unrest I'm talking about occurred during business hours.

Q. How did the flyer announcing a Union meeting come to your attention?

[886] A. My division claim managers reported it to me.

Q. On whose instructions?

A. We have a communication. They always report to me.

Q. And is it your testimony that it's part of your instructions that they report to you on anything unusual, as you say,



occurring among employees even if it occurs outside Company time?

A. Anything that's going to disrupt the work they should report to me, yes.

Q. Is it your testimony that that which may have happened outside the Company time could disrupt the Company activities?

A. If it affects the Company activities, yes, then they would have to report it to me.

Q. It need not occur on Company time?

Mr. Lederer: Objection. This question has been asked and answered from the standpoint of causing unrest on Company time, on Company hours.

Judge Sarrica: Overruled.

Please read the question.

(The pending question read by the Reporter.)

A. No, if it, if it disrupts the normal work flow procedure, then I would be interested in it.

Q. (By Mr. Appell) What other reports about Union meetings for Local 365 did you receive besides this one [887] flyer?

A. I believe that I heard, I was informed there was going to be a meeting in May or June and one possibly in August.

Q. Let's take each one now.

The one in April.

How did that come to your attention?

A. Someone apparently reported it to the District Claim manager who reported it to the division claim managers who reported it to me.

Q. Which division claim managers reported it to you?

A. Bob Gasser and Andy Mannarino.

Q. Both of them, and did they tell you who reported it to them?

A. Their district claim managers.

Q. Who were they?

A. Do you want me to go through the names?

Q. I do.

A. Gene Morrill, Don Belger, Bill Gruper (Phonetic), Rick Doran, Ed Fowler, Marvin Beck, Ben Purvin and Ralph McCormick.

Q. Did anyone tell you from whom they found out that information?

A. Not specifically, no.

Q. Did you ask?

[888] A. I don't recall at this time.

Q. Let's take the meeting you say you believed occurred in May 1972.

Who told you about that one?

A. Bob Gasser and Andy Mannarino.

Q. Would your testimony be the same as to whom they had heard this information from?

A. Yes, it would.

Q. How about the June meeting? Who told you about that one?

A. I don't know if there was a May and a June meeting. There may have been one.

Q. One or the other, and would your testimony be the same again, as to your notice of communication?

A. Yes, it would be.

Q. Let's take the August meeting.

How did that come to your attention?

A. The same means.

Q. Did someone hand you a flyer on that?

A. I don't recall if they handed me a flyer or just told me about it.

Q. Who told you about it?

A. Bob—not Bob Gasser, Andy Mannarino and Ralph McCormick.

Q. As a matter of fact, as far as that meeting is [889] concerned, you were informed by your people that they had met Ed Hansen in Nathan's, and that he made some remarks about a Union meeting; isn't that correct?

A. Ed Fowler did report that to me, yes.

* * * *

[890] Q. (By Mr. Appell) Are you now changing your testimony with respect to whether you had any indication that Hansen was involved with the Union?

Mr. Lederer: Same objection.

Judge Sarrica: Overruled.

A. No, I'm not changing my testimony, because what happened here, Ed Fowler had gone out to visit one of the employees who was ill in the hospital, in fact.

When he came back he called me.

In addition to telling me about the employee, he mentioned that he had run into Ed Hansen and Ed had this flyer and that was all we talked about.

[891] Q. What did you do, by the way, at that time, when you heard this information about Hansen's flyer?

A. I talked to my managers and let them know.

Q. Which managers?

A. Oh, I talked to the division claim managers, and if I were talking to a district claim manager I would mention it to him.

Q. Did you speak with anyone else in management about it?

A. I probably let them know, I assume.

Q. Who in management?

A. Mr. Meyers.

I would let my RM know, Mr. Mack.

Q. Were they in regular touch with Mr. Owen?

A. Wait a minute now.

We changed RMs in the middle of this. It would probably have been Mr. Amis by this time, because Mr. Mack, Mr. Mack left and Mr. Amis replaced him.

Q. Did you report this to Mr. Owen, if you recall?

A. No, I did not.

Q. Do you know if anyone else did?

A. No, I do not.

Q. Whom does the regional manager report directly?

A. Blair Patterson, his own vice president.

Q. Where is Mr. Patterson's home office?

[892] A. Newark, New Jersey—Summit, New Jersey.

Q. To whom does Mr. Patterson report?

A. Bob Sheppard, the president.

Q. Who is he?

A. The president of the Company.

Judge Sarrica: Let me interrupt you one moment.

(A messenger entered the hearing room briefly and departed.)

Q. (By Mr. Appell) Turning your attention again to General Counsel's Exhibit 13, did anyone instruct you to write this letter?

A. I don't remember which one it is.

Mr. Appell: Yes, sir, I'll show it to you.

Mr. Lederer: I am going to object again on the basis this has been asked several times and answered, about 13 and 7.

Judge Sarrica: You may be right, but I'll overrule it.

Mr. Appell: I would not be in accord with that characterization, your Honor.

I have not probed the witness with the required detail on GC 13.

I did do that with GC 7.

Mr. Lederer: That's not the question here. It's not a question whether he probes in sufficient detail.

The question is whether he was asked, whether this [893] witness was asked whether he had been instructed to write this letter, and that has been asked and answered before, but I certainly defer to the Law Judge's desire to hear the answer to the question.

Judge Sarrica: Thank you.

The Witness: Shall I answer it?

Judge Sarrica: You may answer.

A. No, I was not instructed.

This follows the same course as the one one. (sic)

Q. (By Mr. Appell.) Did you confer with Mr. Owen before sending out this letter?

A. Before sending out?

Q. Yes.

A. I believe his approval was obtained.

Q. Was he present with you when you obtained this approval or was it obtained over the telephone or in writing?

A. I don't believe he was present.

I don't recall specifically how we got his approval at that time.

Judge Sarrica: Off the record.

(A short recess was taken.)

Judge Sarrica: On the record.

Q. (By Mr. Appell.) Did anyone from the Company tell you that, legally, if an employee signed a card for the [894] Union he might be giving up his rights forever to speak directly to the Company on personal wages, hours and working conditions?

A. Not in those words exactly.

Q. In what words were you told something and by whom?

A. Well, I don't recall any specific comments regarding that other than we have Wednesday meetings.

We would talk about things like this and it's my own understanding that once you have given this right to a Union that they bargain for you.

Q. Who gave you the idea if you give that right to the Union that you give up your right to speak directly to the Company?

Mr. Lederer: I am going to object to this question. This attempts to go into this man's psychological reason for thinking these things.

It's his letter. He said he signed it.

What difference does it make what psychological background there may be for his having worded it the way he did?

Judge Sarrica: The question was who gave him the impression, was it not?

Mr. Appell: Yes, your Honor.

Judge Sarrica: Overruled.

A. It's difficult—it was not one person.

[895] This is something that you gather over the years.

It's just an impression I have, you sign away—when you sign a document, it's for a reason.

Q. (By Mr. Appell.) To whom was this letter distributed, by the way?

A. All employees.

Q. In what geographical area?

A. Brooklyn, Queens, Nassau and Suffolk.

Q. Did you instruct that this letter be distributed?

A. Yes, I did.

Q. To whom did you make such instruction?

A. To the Division claim managers and to the district claim managers.

Q. Was there another? Were there two?

A. Division claim managers and district claim managers.

Q. I see.

Who were the first people or persons who informed you that there was a new push going on for the UAW Local 365?

A. I don't recall specifically.

Q. You refer to the fact "Now these same few people are trying to get another Union push going, this time with the United Auto Workers, UAW."

Which same few people were you referring to?

A. It was, I thought it was a group.

[896] Now, I can't say for sure it was AB and C, but from the Reports I was receiving, it was a group that was going to get this going.

Q. Who belonged to this group?

A. Oh, you mean by name?

Q. Yes.

A. I know Bob Greene was one, and, I, it's hard to say, because now you're starting to talk about what you believe or what your impressions are.

Q. I am asking you what—

A. I think another fellow was Bill Hoffman.

Q. How did you find that out?

A. Well, I heard—now you're going through the chain—I heard that after a meeting wherein we—by “we” I'm talking about Mr. Amis—it was a 10th Anniversary dinner type deal where the employee comes up and Mr. Amis greets them before a large group and he talks about their, what they have done, clubs they belong to and things of that nature.

And after Hansen had been so honored, he went back to the office and, from my understanding, he is alleged to have said “Mr. Amis said a lot of nice things about me. The only thing he didn't say was Union organizer.”

Q. Who said this?

A. Hoffman.

[897] He told some of the people who reported it on up. He was a comment that was made. (sic)

Q. Who reported that to you?

A. Well, I heard that from Bob Gasser, I believe, who got it from Rick Doran.

Q. What month was that?

A. Oh, I don't recall at this time.

Q. Was it in 1972?

A. 1972, yes.

Q. Beginning of the year?

A. I would say the beginning of the year, yes.

Q. So you didn't know for certain that there were the same few people, this was just an assumption you made?

A. It was an assumption I made, yes.

Q. Have you ever spoken to Mr. Trapp?

A. Many times.

Q. Are you friendly with him?

A. Would you define friendly?

He's an employee. I meet him and talk to him about claims, and that's it.

Q. Do you ever talk to him about personal matters, family matters, things like that?

A. It's customary, yes.

They ask "How's your family?"

Q. In what period of time did you begin talking to him [898] about such personal matters?

A. As long as he's been with the Company and I've run into him.

Q. Did he ever mention Union to you?

A. Not that I recall, no.

Q. Did he ever mention Union to you since he became promoted?

A. No.

Q. You don't remember what month you first heard about the UAW?

A. No. I believe it was in '71, late '71.

Q. Do you recall who first reported the UAW to you?

A. No, I don't recall.

Q. When you receive flyers concerning Union meetings, what did you do with them?

A. I would send one up to the Personnel Department and the rest I'd throw away.

You have no use for them after you have seen one.

Q. Do you have regular contact with the home office in Illinois?

A. No.

Q. And you report to Mr.—

A. Amis.

Q. Does he have a regular contact with the home office?

A. I wouldn't think so.

[899] Q. How about Mr. Patterson?

A. Yes, I believe he has regular contact with them.

* * * * *

[907] Q. You say you knew of a Union meeting that occurred in May or June.

Did you find out about the meeting, did the flyer come to your attention before the meeting was actually held or afterwards?

A. I believe it was before.

Q. How long before the meeting?

Do you remember how many days before?

A. Oh, I don't recall.

Q. Within a week, would you say?

A. I don't recall.

* * * * *

[908] Q. Did you ever talk with Don Belger about the Union, Local 365?

A. I talked with all my managers, sure.

Q. When did you speak with Belger about it?

A. Oh, specifically, dates?

Q. Yes.

A. I don't recall specific dates but—

Q. Approximate dates?

A. But we talked—well, it would be during 1971 we had discussions.

Q. How about—

A. Then into '72, early '72.

Q. What did you say to Mr. Belger and what did he say to you about the Union?

A. It was not something where you call up and you say "Don, what did you hear?"

You're having a discussion with a man and you ask him "How are things going in the office," and he answers and this is the way we have discussions of things.

[909] Q. You never asked him what he heard about the Union?

A. I may have during the course of our discussion, if he's heard anything.

Q. Did he ever tell you what he had heard?

A. He reported, sure.

Q. Did he give you names of people that he heard were active in the Union?

A. Not that I recall, specifics.

It was a, there was a lot of activity, you know, you just start to pick it up because there were a lot of people interested in it.

Q. Did he ever surmised (sic) who he thought was involved, whom he felt was involved?

A. He felt the field adjusters were.

Q. Did he say how he knew that?

A. Just from what he had heard from his supervisors.

Q. Did he say from whom he had heard it?

A. His supervisors.

Q. Did you ever talk to Mr. Minelli about Local 365?

A. We have, he has the same discussions that I would have with the Divisions, that I would like to know anything they may hear that would be disruptive, they report to me.

Q. Did you ever indicate—

A. We never—I should clarify we never, for example, [910] I never referred to it as 365.

Q. Well, the Union that was then organizing.

A. Fine.

Q. Did you ever indicate to Mr. Belger or Mr. Minelli how to find out anything, how they would go about this?

A. There was a strict prohibition about asking any questions or probing in any way into this area.

It was—they had their strict rules to stay away from that, and they wouldn't do it.

Q. Let me repeat my question.

Did you ever give them instructions how they might find out this information?

A. They were told not to, in any way, become involved in asking any questions or probing this area at all.

Mr. Appell: I move to strike.

The Witness: They were absolutely—I'm sorry.

Mr. Appell: Finish your answer.

The Witness: It was absolutely prohibitive, from doing that.

* * * * *

Q. (By Mr. Appell) Did you ever give any suggestions to your management people as to how they might find out this stuff, what they heard?

[911] A. They were told not to get involved in asking any questions or—I think I'm answering.

Judge Sarrica: Did you give them any affirmative directions of conduct that they were to engage in in order to find out these matters?

The Witness: No, only to report anything unusual that, that they may have heard or observed.

* * * * *

[914] Q. (By Mr. Appell) When Boe visited with the other people from the home office, did you advise him about the Hansen matter?

A. No, I did not.

Q. Was there any mention of Union?

A. No, there wasn't any.

Q. He didn't ask you about the Union situation?

A. No, sir.

Q. By the way, you have been present at this hearing throughout the testimony?

A. Yes, I have.

Q. You have been here every day?

A. Yes, I have.

Q. And with whom did you prepare your testimony today?

A. Mr. Lederer.

Q. When did you do that?

A. We met in February, we met again the day before the hearing started, I believe was April 2nd, and we met Monday of this week.

Q. Was anyone else present besides Mr. Lederer and yourself at each of these meetings?

A. Yes, there were other people present.

Q. Who were they, in each case?

[915] A. In February I believe Mr. Dufford was present, Mr. Belger.

I'm not sure about Mr. Stickler.

Q. How about the next preparation?

A. In, in April, on April 2nd?

Q. Yes.

A. On April 2nd there was everyone who was going to testify was there.

Mr. Owen was there, Mr. Dufford was there, Mr. Stickler was there, Mr. Lederer was there, Mr. Wolf was there.

Q. Who is Mr. Wolf?

A. He works in our personnel department.

Q. Is he present in the hearing room today?

A. Yes, he is.

Q. Has he been present throughout this hearing, too?

A. Yes, I have seen him here just about every day.

Q. Were you present when the testimony of other witnesses were discussed with them?

A. On April 2nd and—on April 2nd, yes.

Q. Which witnesses did you hear talk in the course of their preparing for this hearing?

A. Well, Mr. Lederer kind of gave us all a little bit of a briefing on the hearing themselves, how they were conducted, and a general idea of what the procedure would [916] be and briefly—

Q. I asked which of those who have testified in this hearing, for which witnesses preparation were you present at other than your own.

That's my question.

A. On that day he went through everyone's testimony except Mr. Lissell (Phonetic).

* * * * *

[922] Mr. Appell: I am asking, your Honor—if I may rephrase it, perhaps that will be the simplest thing—I am asking the witness, did you have, in July 1972, any knowledge or information that led you to believe that the Union had a majority of the adjusters signed up in your region?

Judge Sarrica: I'll allow that question.

A. I don't, I didn't and don't believe that they had a majority signed up.

That's—

Q. (By Mr. Appell) Did anyone ever tell you that the Union was going to file a petition for an election with the Labor Board?

A. No, sir.

* * * * *

[923] Q. Would it be fair to state that in July you knew that there was still Union activity?

A. There were some.

Q. And, at the same time, is it fair to state that at that time it was your belief that the Union activity was subsiding?

A. At that time I felt that it was pretty much, and quieted down.

Q. Did you ever speak to Mr. Kane personally on this matter?

A. No, I did not.

* * * * *

[924] Q. Did Mr. Amis ever talk to you about the Union?

A. When I communicated with him, yes, but he did not tell me anything about it.

It's hard to answer your question because we have discussions.

Q. What did Mr. Amis say to you about the Union?

A. Mostly he just listened to the reports that I would make to him about general conditions in the service offices and what was going on.

Q. When did you make such reports to Mr. Amis?

A. I report to Mr. Amis on a regular basis.

When I get back on Monday, for example, I will talk with Mr. Amis generally about what I have done the past week and what's going on in the Claim Department.

* * * * *

[935] Q. Okay, how long after you made the decision was he actually terminated?

A. That investigation, to the best of my recollection, took in excess of six months.

Q. How long after you made your decision to terminate the man was he actually terminated?

A. Better than two months.

Q. What's the name of that individual?

A. Ed Brodowski.

If I may, I don't like—you know, I'll name the names if I have to, but it's unfair to the individuals because they are still working in this area, to my knowledge, to put statements like this on the record when I am not even positive.

Q. Are you sure of the two-month figure?

A. I'm pretty sure, yes.

Q. Did any of the people you talked about who were either discharged or resigned, did any of them admit wrongdoing to you?

A. No.

Q. Did any of them admit wrongdoing to the Company?

A. No.

Q. In regards to this other gentleman who was discharged, you say the investigation took six months, is that correct?

[936] A. Approximately.

Q. What was involved in that investigation?

A. Well, he was a reinspector of adjusters' inspections.

In other words, an adjuster goes out, inspects the vehicle, and then his job is to go around and reinspect it and approve it for accuracy, or if the man needed training, to help him with his training.

I had been informed that he was knocking down, as they say—in short, he was approving a higher estimate and receiving some moneys in return for this service.

So, we started to look at his reinspection, follow-up, in other words, and this is the way the investigation went.

Q. What personal role did you play in that investigation?

A. I received the reports from various people who were involved.

Q. Did that gentleman in that matter maintain his innocence to you?

A. When he terminated, I understand he did.

Q. That was with respect to a work related matter that he was fired, is that correct?

A. Yes, I would say so.

Q. Who was the regional personnel manager in August of 1972?

A. Mr. Morris.

[937] Q. Did you ever speak about the Union with him?

A. Oh, surely.

Q. And he spoke to you about it?

A. Sure.

Q. Did he ask you to report on anything unusual that you had heard about the Union?

A. He didn't have to ask me to report.

He's my counterpart, so I would keep him filled in.

Q. Did you ever talk with Mr. Casey about the Union?

A. Rarely.

* * * * *

[939] Q. Did Mrs. Hansen ever admit that her husband had told someone the price was \$1,800?

A. Mrs. Hansen made reference to the fact that the punishment, that the crime was not of that import that justified the punishment.

* * * * *

Q. (By Mr. Appell) Did Mrs. Hansen say to you that Hansen at any time admitted, that Hansen had at any time stated that the price of the coat was \$1,800?

A. Mrs. Hansen, no.

Q. You testified that any employees who claimed a leading role in the Union's drive are still working for Allstate, is that correct?

A. Will you ask the question again, please?

Q. Did you testify that employees who had claimed a leading role in the Union drive were still working for Allstate at this time?

A. Yes.

[940] Q. Who were such employees?

A. Bob Greene and Bill Hoffman.

Q. Did they actually give out cards to people?

A. Oh, I don't know.

Q. Well, how do you know that they claimed a leading role in the Union drive?

A. Well, Bill Hoffman stated it when he returned from that meeting that we had had.

He told some of the people that—

Q. When was that?

A. It was early 1972.

I don't recall exactly. Those meetings were held monthly.

Q. What gave you the knowledge that Greene was a supporter of the Union?

A. Just on the general tone of what I had heard about him.

Q. What did you hear?

A. That he was active in it.

Q. Did you hear that he gave out cards?

A. Nothing specific.

Q. Did you hear that he spoke up at Union meetings?

A. No.

Q. Did you hear that he urged people to go to Union meetings?

[941] A. I heard that he was active in it, moving around.

Now, they, they didn't spell it out in that detail.

Q. Well, what led you to conclude for purposes of today's testimony that he claimed a leading role in the Union?

Mr. Lederer: I think that that question has been asked and answered already.

Mr. Appell: A leading role.

Judge Sarrica: I'll permit this question.

A. You know, your, you asked me if he was one of the leaders or activist.

I said yes.

We are now getting to where he's the leading role.

I never considered—I considered him one of the fellows who was actively seeking to, to get this going.

You come to that conclusion based on the reports that you are getting from your managers, through your division managers.

Q. Did anyone else express that conclusion to you, that he was such a leading man?

A. Not that I recall.

Q. I'm asking you now to tell the Judge on what basis you regard him as being a leader as opposed to simply one who was going along with it?

A. Well, let me say this:

[942] There was activity and no one has been fired from this region other than the people I mentioned, and for specific reasons.

Mr. Appell: May I have the answer read back, please.

(The last answer was read by the Reporter.)

Mr. Appell: I move to strike as not responsive.

Judge Sarrica: I'll let the answer stand and I do think your question has been answered several times.

Mr. Appell: Your Honor, if I may, I have not gotten from this witness an adequate explanation as to why he regarded this gentleman as having been a leader.

He's testified that the man spoke on behalf of the Union, that he heard generally that the man was involved in the Union.

I want to know on what basis did this witness conclude that this gentleman, Greene, was a leader in the Union.

Judge Sarrica: He was given you those and the basis why he concluded he was a leader, as I heard his testimony.

If this isn't true and you would like to clarify your testimony, would you proceed to do so?

The Witness: No, that's the truth, based on what I have heard.

* * * * *

[1980] Q. Now, as I recall the testimony, oh, back in October of 1971 you personally noticed a lot of talking going on in the office, something which led you to believe that there was dissatisfaction, Union activity.

Just what did you observe?

A. I did not say that.

I said I received reports from the managers.

[1981] Q. And you said—

Mr. Lederer: Wait a minute.

A. Who reported that there was a lot of unrest and a lot of activities in their offices.

Then, in explaining it, I said that when you're a manager you can see what's going on in your office.

Q. In the office where you are stationed, though, did you yourself observe some talking, things like that going on, unrest, as you termed it?

A. I'm in the main office.

I have secretaries and then my subordinates are out in the field.

There are no claim people other than the staff in the main office.

Q. The answer is no?

A. Yes, sir.

Mr. Marcus: I misunderstood your direct testimony. That's why I asked that.

Q. Now, as we get into October, did they tell you how they knew that this was unrest that might be involved with Union matters?

How they knew that?

A. They could see it and they had heard about the flyers and I assume there were some people who brought the flyers in.

[1982] Q. Now, several men may have been talking, say on a Monday morning in October.

Did your supervisors know what they were talking about?

A. Not all the time, no.

Q. At any time?

A. There were times when they were part of the group, I'm assuming.

Q. They weren't eavesdropping though, of course?

A. No.

Q. As we get into October, don't we have a few events that usually create a lot of talking in offices?

For example, the Big League baseball playoffs, the World Series?

A. That is not the kind of event that would create unrest in the service offices.

Q. How does a supervisor know when four men may be off in a corner talking that there is unrest regarding employment matters rather than talking about the baseball game?

A. There was no effort, according to my understanding, on the part of the people to be secretive.

If a supervisor was standing there, they would continue the, the discussion.

If they went out for coffee in the lounge they would discuss this.

[1983] The supervisors would be there.

Q. Let me ask something about this series of meetings which you had with the small groups sitting around a table.

At any of these meetings, was there any discussion of wages?

A. There was a wage freeze on and everyone knew it.

No one knew what was going to happen after the freeze was lifted on November 15th.

Generally speaking, if it came up, that's the way the tenor of the discussion—the people knew that there was nothing we could do or discuss.

The freeze was on.

Q. Was there any discussion regarding wages? I know the freeze was on. Everbody knows that.

A. People would ask—

Mr. Lederer: I am going to object to this attempt again to place the witness in a position where he should feel small, browbeaten.

The demeanor is improper for expecting this witness to come forth with an answer which can be meaningful to the Judge, and I object on that basis.

Judge Sarrica: The objection is overruled.

A. In any discussion on wages, people, for example, would say "What's going to happen November 15th?"

And, of course, I had to answer the truth. I didn't [984] know, and I didn't, and that's what I would say. I don't know.

Who knows what the President was going to do at that time?

Q. Do I gather from that that there was discussion even though very inconclusive?

Mr. Lederer: Objection.

This has been asked and answered.

Judge Sarrica: Overruled.

A. Discussion on a lot of things.

Q. (By Mr. Marcus) Wages?

A. Yes, there was discussion.

Q. Thank you.

Discussion about vacations?

A. There was some discussion on vacations, yes.

Q. Discussion on other fringe benefits aside from pensions which you have already mentioned?

A. There was discussion on benefits, yes.

Q. And also about wallpaper, is that so?

A. On other items, yes.

Q. And about a matter of a shelf under a mirror?

A. Yes.

Mr. Lederer: I didn't hear that, sir.

Judge Sarrica: The shelf under a mirror.

Q. (By Mr. Marcus) And did you not say that you would [985] see what you could do with respect to these various matters to satisfy people within reason?

A. It was completely outside the scope of my authority and responsibility.

I have absolutely no control over benefits.

The benefit program is country-wide. The people knew that.

If I said to them that I was going to do something about benefits, it would be incredible.

All I could do is listen to what they had to say, that's all.

Q. As I understood it, the purpose of these meetings was to find out why the people were dissatisfied?

A. Yes, sir.

Q. Among the things that you obviously found out was they would be more satisfied if they received more money and more fringe benefits; is that so?

Mr. Lederer: That is not what the testimony shows.

Mr. Marcus: I am asking the witness.

Mr. Lederer: That is not a correct statement of the testimony.

Therefore, I object to the question being put in that manner.

Judge Sarrica: Overruled.

Do you want the question read again?

[986] The Witness: Yes, please.

(The pending question read by the reporter.)

A. Well, everyone would be satisfied with more money or would like more money.

Q. (By Mr. Marcus) And with respect to that, did you undertake to communicate their feelings to the people who had the authority?

A. There was nothing I could do about it, Mr. Marcus.

Q. Could you not inform your superiors?

A. Mr. Amis or Mr. —

Q. The chairman of the board and the president, the people were dissatisfied, people under your supervision were dissatisfied?

Mr. Lederer: Just a moment.

Mr. Marcus: Could you not —

Mr. Lederer: In the context of this question, the question is improper because there is no testimony that the people indicated they were dissatisfied about wages and fringe benefits.

That is not the record and that this is being improperly put to the witness at this time.

Judge Sarrica: The witness can reply to that effect is (sic) that is the case.

A. As I said, when we talked about wages I had absolutely no control because the freeze was on and they knew that.

[987] When we talk about benefits they know that I can do nothing about benefits.

The only thing that came up is people talked about profit sharing and I explained profit sharing and the fact that it was our pension plan.

We talked in this vein.

They know that I can't control benefits.

Q. (By Mr. Marcus) Was I wrong in understanding that there was talk about wages?

A. We talked, yes.

Q. You were there to find out what the gripes were, were you not?

A. And to explain procedures and policy, if I could.

Q. Could you explain to them that if there was dissatisfaction with wages that it was a closed subject? You didn't say that to them, did you?

A. I told them that the President had imposed a freeze on August 15th I believe, and they knew it, and there was absolutely nothing I could do about wages.

I further told them, and generally it was in response to questions, that I didn't know what was going to happen following the lifting of the freeze in November, if it was lifted, and I didn't know.

Q. When was the last of these several meetings that you had?

[988] A. It was in November.

Q. November what?

A. I don't recall the exact date.

Q. When was the freeze lifted, if you know?

A. My recollection would be November 15th or 16th.

Q. Would you disagree with me strenuously if I said that November 13th marks the end of the freeze?

A. Oh, I wouldn't disagree with you.

Q. It was a 90-day freeze, wasn't it?

A. Yes, I believe so.

Q. At the end of which certain relaxations were introduced?

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General Counsel's Exhibit No. 2

NATIONAL LABOR RELATIONS BOARD
 CASE NO. _____ DATE OF FILING _____

February 7, 1972

GC2

FELLOW ALLSTATE EMPLOYEES:

This letter was composed and ratified by a group, Allstate Employees, representing most of the Long Island Region offices. We urge you to read it carefully and also let your wife (or husband) read it.

We feel that the widespread dissatisfaction voiced by the claims personnel to Mr. Cartiglia warrants presenting the employees with an opportunity to vote whether they wish to bargain collectively through a union or not. It is no "accident" that prompted us to seek professional assistance.

The union we have chosen comes highly recommended by acknowledged experts in the field. The union officials impressed the employees who met with them very favorably.

We decided not to call a general meeting of the eight offices because many would not attend for fear of retribution by the Company.

We are, however, indebted to Mr. Cartiglia for pointing out in his letter, the deficiencies of the first union, the A.C.A. (Teamsters), we also found this union unacceptable and have remedied the situation.

SOME FACTORS FOR YOUR CONSIDERATION FOLLOW:

1. In this area, State Farm gives their employees cost of living and geographical increment increases. (State Farm is unionized). Their employees earn considerably more than we do.
2. Up to about five years ago, Allstate had a supplementary pension plan for employees making over \$10,000, but this was changed (quietly) to now only cover those making over \$15,000.
3. G.E.I. Company has just vastly improved their retirement benefits (you may secure a copy of this plan by requesting it from their union office).
4. Allstate earnings have been very favorable over recent years.
5. Mr. Cartiglia, in at least one meeting, stated we had "valid arguments" in our request for cost of living increases, he also stated possibly "a few" adjusters in the region were at top pay.
6. It seems to be more than coincidental that two major industries that remain non-unionized are banking and insurance, and these also are among the lowest paid.

We attempted to keep this letter as brief as possible, but we feel that including a brief history of the events since last summer is appropriate; in chronological order they are:

1. Last summer claims personnel from two different offices (unknown to each other) contacted the A.C.A. (Teamsters) representative, who represents State Farm on Long Island. The contacts were a result of worsening work conditions.
2. Shortly after that a general meeting of adjusters was held in Westbury where the union official from the A.C.A. was questioned. (Many who attended were dissatisfied with this individual)
3. Mr. Cartiglia visited the eight Long Island Regional offices and met with claims personnel to air their dissatisfactions. (In all honesty, it can be said that he did encounter widespread and deep dissatisfaction.)

4. Mr. Certiglia at that time said he'd return the first week in December with any solutions he was able to secure. This date was later changed to late December then early January then late January.

We have given management sufficient time to develop not only present but long term solutions to our problems (which are primarily financial). (The wage freeze probably will not be permanent.)

Realistically, we have little power to bargain as individuals, as a union we could bargain from a position of strength and unity.

You are protected by the National Labor Relations Act, from any recriminations by your employer for engaging in legal union activity.

A small (but tenacious) group of personnel have spent considerable time and have unselfishly run risks of retribution to present you with this opportunity. Please give it your thoughtful consideration.

We have tried to be honest and fair to both sides in this presentation.

Improvements in working conditions are not obtained by "accident". If you are really satisfied with what you have, then we say "thank you" for reading this letter. But, if you really desire to change the way things are, then sign and mail the attached confidential designation card.....TODAY!!! The only people who will know you signed the enclosed card are yourself and the union, since it can be mailed directly to the union. We are taking the opportunity of enclosing more than one card. GIVE ONE TO A FELLOW EMPLOYEE!

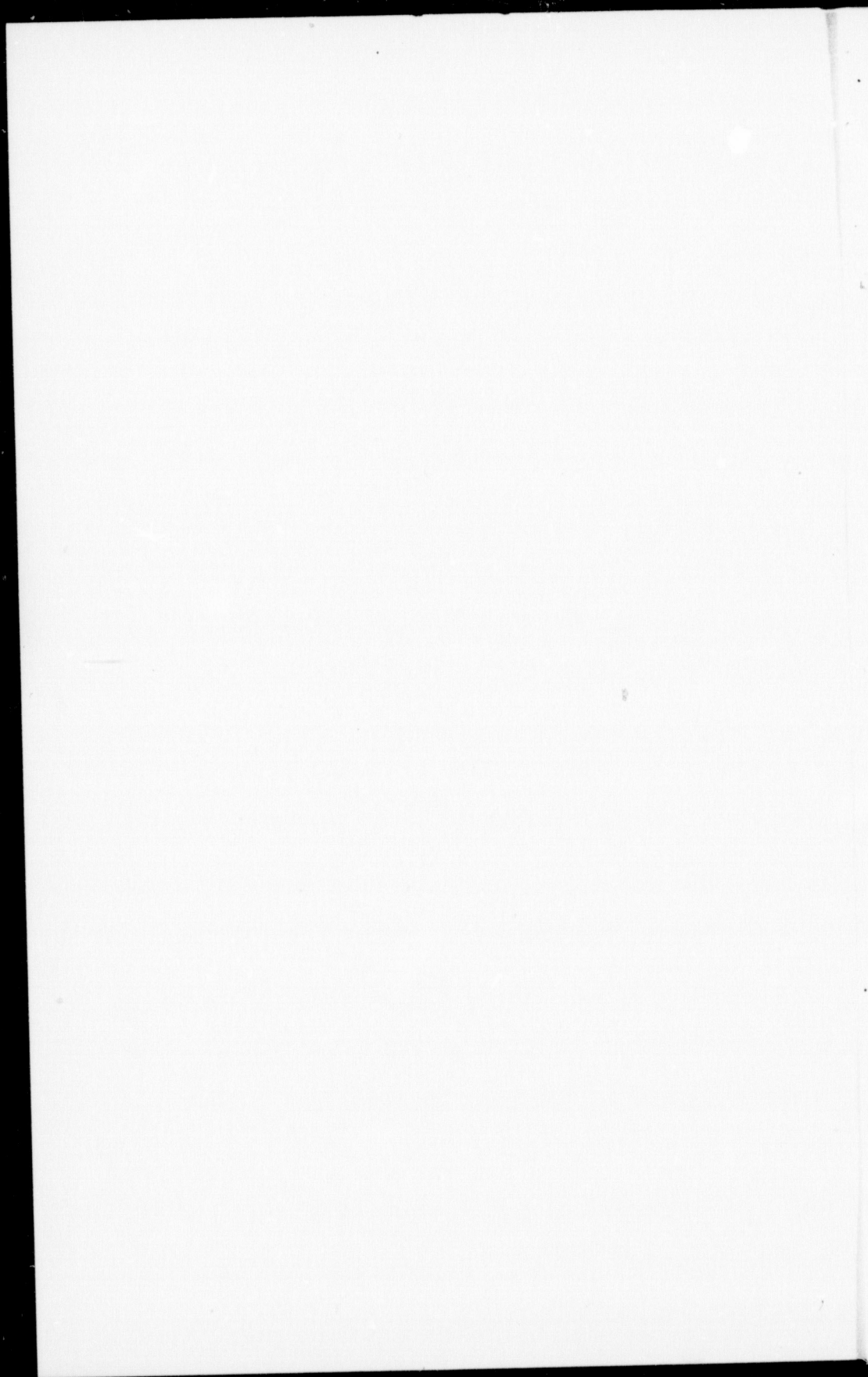
REMEMBER - the decision is now yours!

ORGANIZING COMMITTEE OF
CONCERNED EMPLOYEES

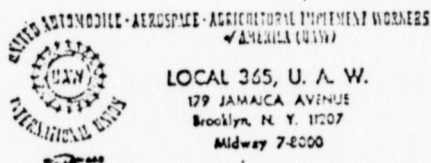


BE WISE

UNIONIZE



General Counsel's Exhibit No. 3



LOCAL 365, U. A. W.
179 JAMAICA AVENUE
Brooklyn, N. Y. 11207
Midway 7-8000

NATIONAL LABOR RELATIONS BOARD
Case No. _____
Date _____
By the Office of _____
Date 4-13-73

May 15th, 1972

We are about to petition the National Labor Relations Board (NLRB) for an election, but, prior to that, we thought there may be some questions you have that are unanswered. In order to give you an opportunity to meet with the officers of Local 365 U.A.W. so that we can answer these questions, we are calling a general membership meeting of all the units in this region for Monday evening June 5th, 1972, at 8:00 P. M.. This meeting will be held at the Hicksville Motor Lodge, which is located on the northeast corner of Old Country Road and Wantagh Parkway (right behind Howard Johnsons).

There are four (4) reasons why you should attend this very important meeting:

(01)

Without a Union, a company may provide fair wages, good working conditions and fringe benefits. But the company can always take it away (remember the cars) and what's more, often does. This can be prevented only by a signed contract between the Company and the Union.

THEY WON'T BE ABLE TO TAKE IT AWAY

(02)

A Union contract has legal standing and is enforceable in the courts. With such a contract, the changes that may take place periodically in the management of the company cannot threaten your wages, your working conditions or your job itself.

IT HAS LEGAL STANDING IN THE COURTS

(03)

Top corporation officials have individual contracts with their companies, specifying conditions of employment. Yet those same executives denounce similar efforts by their employees. But if it's important for an executive to have a contract, it's even more important for you.

EXECUTIVES GET CONTRACTS; WHY SHOULDN'T YOU

(04)

Your accumulated years of work are your investment. Why not protect that investment with a U.A.W. contract.

YOUR YEARS OF WORK NEED PROTECTION

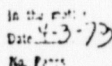
Please make every effort to attend this very informative meeting.

IT IS TO YOUR INTEREST TO DO SO

ALLSTATE EMPLOYEES
ORGANIZING COMMITTEE

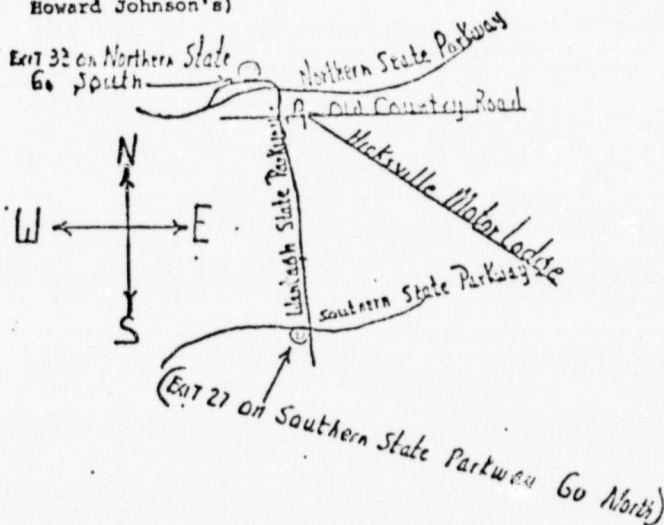


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Fellow Allstate Employees:

This is just a gentle reminder of our general membership meeting to be held this Monday evening, June 5th, 1972, 8:00 P. M. at the Hicksville Motor Lodge, located on the northeast corner of the Wantagh Parkway and Old Country Road, (right behind Howard Johnson's)



SEE YOU THERE

ALLSTATE EMPLOYEES
ORGANIZING COMMITTEE

325

GC 6

General Counsel's Exhibit No. 6



LOCAL 365, U. A. W.
179 JAMAICA AVENUE
Brooklyn, N. Y. 11207
AUdsey 7-4600

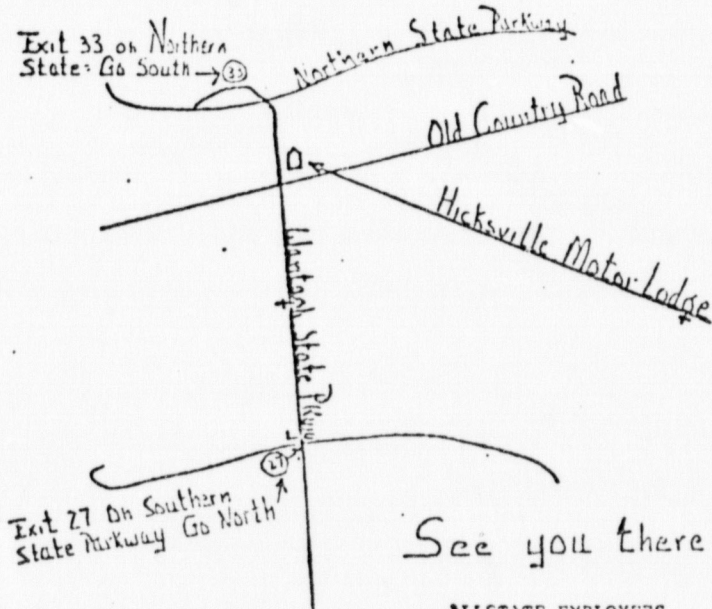
NATIONAL LABOR RELATIONS BOARD
Order No. _____ OFFICIAL EXHIBIT NO. GC 6
Disposition { ☐ Pending
 ☐ Referred
 ☐ Rejected
In the matter of _____
Date 7-27-72 _____

July 26th, 1972

Dear Fellow Allstater:

It has been suggested that a meeting of the Nassau County Allstate Employees be held for the purpose of clarification and information.

This meeting has been set for Thursday Evening August 3rd, 1972, at 5:30 P. M., at the Hicksville Motor Lodge, located on the northeast corner of the Wantagh Parkway and Old Country Road. (right behind Howard Johnson's).



ALLSTATE EMPLOYEES
ORGANIZING COMMITTEE

65

General Counsel's Exhibit No. 7

GC7

Allstate

NATIONAL LABOR RELATIONS BOARD

OFFICE OF THE GENERAL COUNSEL GC 7

Signature {
 Received _____
 Received _____
 Received _____

In the matter of _____
 Case 4-3-73 _____

October 5, 1971

Fellow Allstatesters:

A great number of our Long Island claim people have been reporting stories of union activity to members of claim management over the past several days. These people are deeply concerned and I feel, rightly so. Steps taken toward union affiliation now could be irreversible and could bring about a situation of chaos and disharmony. I would like to outline my feelings on this based on the reports we've had so that all Long Island claim employees will have a clear understanding.

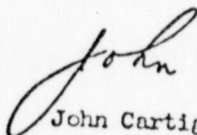
1. It is reported that the American Communications Association (ACA), an affiliate of the Teamsters, is the union attempting to sign up Allstate people. This is the union which was expelled from the CIO. They have experienced a drastic decline in membership among the crafts they normally would represent and in recent years have made quite a few attempts to organize insurance adjusters in the New York area.
2. Out of the many attempts the ACA has only won elections among adjusters of Continental and State Farm. Yet, despite the fact that they originally petitioned to represent the adjusters of these companies in 1967, they have not been able to obtain a signed contract. Stories have been circulated among our people about the pie in the sky "contracts" that the ACA has in the insurance industry. This is typical ACA - Teamsters smoke put out to get you to sign an authorization card. You had better not believe it. Neither Continental nor State Farm has given the ACA negotiators a thing since they began bargaining sessions several years ago.
3. Undoubtedly the ACA will try to get you to sign an authorization card. You should be aware that you have the legal right to sign a card authorizing this union to bargain for you. You should also know that the law gives you the right not to sign a card authorizing a union to bargain for you. You should not make such a momentous move merely to be a "good guy or gal" or to get someone off your back who may be pressuring you to sign a card.
4. Certain court cases have held, despite promises which may have been made that an election would be held, that the company can be forced to bargain with the union without an election being held. Signing a card can be like signing a blank check. You can be giving away your rights forever to speak directly to the

company on your personal wages, hours and working conditions. I urge you not to take that first step of signing a card which could lead to years of distrust and trouble. I am sure you neither want or need that and I don't either.

You know that the insurance industry is in the midst of change. We face external economic and political problems that have never been known before in the history of our company. Allstate is making changes in our organization and method of handling claims to meet these external challenges we face today. We have to do this to meet and beat competition. Yet, in no way will this mean a loss of jobs for our good people - in fact, we can look to even more exciting jobs and a better competitive edge because we have anticipated change and the growth we plan for the future. We have the systems and procedures already under way while other companies are lagging behind. This gives all of us the only true security. A union cannot alter economic facts of life in these changing times and, in my opinion, could only cause us internal strife and disruption where none need exist.

This is too important for us to stand idly by and let well intentioned but mis-directed Allstate people be led by the ACA and their Teamster affiliates. If we have problems, let's talk about them and arrive at an equitable solution without a union with only their own ends to serve. I will visit each of our claim offices in the next few days for this purpose. Your manager will let you know when.

Sincerely,



John Cartiglia

JC:ck

6C 13

General Counsel's Exhibit No. 13

NATIONAL LABOR RELATIONS

Docket No. _____ OFFICIAL EXHIBIT NO. 6C "13" Regional Office
 701 G. S. Country Road
 Washington Station, New York 11749
 Area Code 516 - HA 1-3000

Disposition { Identified _____
 Received _____
 Rejected _____

In the matter of _____ In reply please refer to _____
 Date 4-3-73 Witness _____ Reporter [Signature]
 No. Pages _____

Follow Allstate's:

I had hoped I wouldn't have had to write this type of letter to you after what has taken place over the past several months.

You will recall that last October a few people in our Claim Department tried to start a union push with the American Communications Association-Telegraphers. I wrote to all our Claim Department people expressing my feelings about the ACA.

I visited each office to talk with you about our mutual problems and how the Company was working and planning for the future. I feel we reached a good understanding that Allstate is doing its best - the leader in the industry best - to provide security and opportunity for both our present and our future.

Now these same few people are trying to get another union push going - this time with the United Auto Workers (UAW).

You should ask yourself:

"What are they trying to prove?"

"Are they after union dues?"

"Are they after positions of power in a union set up at your expense?"

"Why are they switching from the ACA to the UAW?"

"Are they shopping around for the best deal for themselves?"

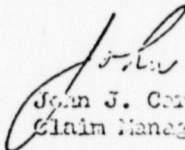
"What have they got to gain for themselves that they could not achieve by coming directly to me as individuals with whatever real or imagined problem they might have?"

I will repeat what I said in my October letter - that you have the legal right to sign a card authorizing a Union to bargain for you. You also have the legal right not to sign a card which by signing could mean giving up your rights forever to speak directly to our Company on your personal wages, hours, and working conditions.

In my opinion, we don't need this disruption which can only cause problems and create distrust among us. I hope you agree with me.

Sincerely,

JJC:ek


John J. Cartiglia
Claim Manager

330

GC 15

General Counsel's Exhibit No. 15

KLEIN		STORE NO. 4	DATE 9-6-71	NO. 10-17397
R DEPT. FINAL SALES CHECK		ACC. # 206 2358 255		
Mr. E. Hansen		APT: HOUSE		PICK UP DATE
1739 Roberts Lane		STATE NY		ZIP 11362
Mr. J. O.		CASH <input type="checkbox"/> CHECK <input type="checkbox"/> LAYAWAY <input type="checkbox"/>		CHARGE: REVOLVING <input checked="" type="checkbox"/> EXTENDED <input type="checkbox"/>
COCK # 11017-2	DEPT. 295	DESCRIPTION: 1/2 Coat		
ICE 797		CHARGE: 1/2 Coat		
DATE TAX 47 82		TRIM DESCRIPTION: 1/2 Coat		
TOTAL 844 82		TRIM ORIGIN: 1/2 Coat		
DEPOSIT CODE 800 82		BALANCE 44 -		
NATIONS AS REQUESTED BY CUSTOMER: 4RR				
TOMER'S SIGNATURE: E. J. Hansen				
DISTRIBUTION: 1. WHITE - CUSTOMER 2. YELLOW - CASHIER 3. PINK - NO. 4. GREEN - STORE DEPT. 5. GOLD - MERCHANDISE				
SALE IS SUBJECT TO CONDITIONS ON REVERSE SIDE				
110-00 (Rev. 3-69)				

we will make coat 1 full row longer within 1 month of date purchased for the sum of \$11.00

4003822 1956 0001 0001 0001 0001

NATIONAL LABOR RELATIONS BOARD

Decklet No. _____ OFFICIAL EXHIBIT NO. GC 15

Disposition

Identified _____

Received _____

Rejected _____

In the matter of

Date 1-3-72

No. Pages

Reporter

A. L. J.

331

General Counsel's Exhibit No. 22

GCX 22

Arthur Schachner

FUR MANUFACTURER

APPRAISER AND CONSULTANT

143 WEST 29TH STREET NEW YORK, N. Y. 10001
TEL. PENNSYLVANIA 6-5944

October 18th, 1971.

Mr. Joe Mc Loughlin,
Allstate Insurance Co.,
2315 Grand Avenue,
Baldwin, L.I., N.Y. 11510

Claim #3 C 8-3463

Claim: Mr. Edward Hansen of 1739 Robert Lane, North Merrick, N.Y. had a Dyed Ranch Mink coat which is scheduled at \$1800.00 and reported missing in shipment on September 14th, 1971.

Report: I spoke to Mr. Hansen over the phone and was told that the coat was a Dyed Ranch Mink which he purchased about September 9th, 1971, for \$1800.00., from Klein's in Hempstead. After he took the coat home he discovered that the pockets were so small that his wife could not put her hand in, so he returned the coat to the store for repairs. The leased fur department manager sent the coat by United Parcel service to their N.Y. City office to have adequate pockets made in the coat. The coat disappeared in transit. Klein's had given Mr. Hansen a temporary receipt for the coat, setting a value of \$100.00 on the garment. Mr. Hansen said that he does not have the bill nor any record of the payment on the coat.

I spoke with Mr. Max Miller, the manager of the fur department at Klein's in Hempstead and he also stated that Mr. Hansen had paid \$1800.00, but he would not show me any record of such sale. After several calls he finally agreed to replace a similar coat for \$1500.00 plus tax, totaling \$1590.00. I went out to the store and examined dyed Ranch Mink coats and found that the price on their Dyed Ranch Mink coats range from \$1095.00 to \$1295.00 for larger size, full length garments, similar to the description given by Mr. Hansen. I consider \$1295.00 plus tax as a proper replacement cost for a coat similar to the one which was lost. The total cost including the 6% tax is \$1370.70.

Yours truly,

Arthur Schachner

74

General Counsel's Exhibit No. 23

NATIONAL LABOR RELATIONS BOARD

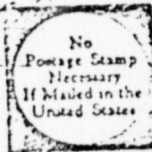
Docket No. _____ OFFICIAL EXHIBIT NO. GC 23

Disposition {

Identified _____

Received _____

Rejected _____



In the matter of _____

Date 4-4-73**BUSINESS REPLY CARD**

First Class Permit No. 23966, Brooklyn 1, New York

Local 365, U.A.W.179 Jamaica Avenue
Brooklyn, N. Y. 11207

GC 23

I hereby apply for membership in

LOCAL 365 U.A.W.
INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE
AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA

and I authorize and designate said Union to represent me for collective bargaining with my employer.

Name EDGAR HANSEN
 Home Address 1739-ROBERTA-LA. Telephone No. MA-3-6292
 City NORTH-MERRICK, State N.Y.
 Employed by ALL-STATE INS. How long 12 years
 Class of work ADJUSTER Rate per hour \$10.25 per month
 Date April 14, 1972 Edgar J. Hansen
 SIGNATURE (Write)

RESPONDENT'S EXHIBIT NO. 5

Mr. John J. Cartiglia
Claim Manager

June 9, 1972

Re: File 3C8 3463
Insured: Ed Hansen

The attached claim file pertains to an off premises theft claim presented by Ed Hansen, an employee in our Baldwin office.

Mr. Hansen apparently deliberately misrepresented the value of this fur coat with the Manager of Klein's Fur Department aiding him in this deception.

The investigation was not sufficient to make payment, but because of the good subrogation possibilities many things were waived.

The coat was brand new and returned for alterations when it was stolen. There was no reason not to insist on cancelled checks, original bill of sale or credit card billing voucher to reflect true purchase value.

In short, Mr. Hansen insisted he paid \$1800 for this fur coat with no proof of payment. Our expert, Arthur Schachner, after talking with Ed Hansen and then visiting Klein's determined the coat's value was \$1,370.70, which was the eventual settlement. This, in itself, is suspect. Who would take \$1,370 for a brand new coat not worn yet that was purchased for \$1,800?

The file was sent to subrogation for recovery, where it was then learned that Ed Hansen only paid \$844.82 for the coat. A copy of the original bill of sale was secured from Klein's by a Jack Balsam, Controller of Harfred, Inc. This firm appear to be related to Klein's, since Mr. Balsam relates to the purchase "in our Hempstead Store".

I am referring this matter to your attention because the fraud element concerns an employee of the company and more than just a recovery of money is indicated.

/s/ Dominic Minelli
Dominic Minelli
Property Claim Director

DM:mb

RESPONDENT'S EXHIBIT NO. 6

July 27, 1972

Mr. John J. Cartiglia
Claim Manager

Re: Claim No. 3C83463
Insured: Edgar Hansen

John:

I have had an opportunity to review the above captioned file and I clearly remember the circumstances surrounding it.

Ed Hansen can not produce any bills substantiating the purchase because, according to him he paid cash and had lost the receipt. When I questioned him about the facts, he took a very strong position and was visibly upset over the fact I was questioning him, an employee, on his own claim. He told me that he had searched high and low for the receipt, but was not able to come up with it.

When I told him what our figure (\$1370.00) was, he said that it would be okay with him. I then asked him why when he paid \$1800 for the coat and his wife had not even worn it, he would accept this. He simply said that he knew he would have to take a monetary loss on the claim.

Our subsequent subrogation action has shown that Mr. Hansen was not telling the truth. His action amounts to fraud and deceit.

It is my opinion that we should deal with Mr. Hansen accordingly, and I am therefore recommending that he be terminated immediately.

Donald Belger
District Claim Manager

DB:pam

RESPONDENT'S EXHIBIT NO. 8

Mr. Charles J. Amis
Vice President

July 28, 1972

Re: Edgar Hansen

Attached hereto is a memorandum from Mr. Belger and Mr. Minelli which is self-explanatory regarding Edgar Hansen.

Mr. Hansen is a Casualty Adjuster and has been employed by us since November of 1960.

After reviewing this file and discussing the matter on several occasions with Don Belger, I concur with his recommendation that we terminated Mr. Hansen effective immediately.

/s/ John

John J. Cartiglia

Claim Manager

JJC:pam

RESPONDENT'S EXHIBIT NO. 9

Mr. Blair Patterson
Vice President

Long Island Region
August 18, 1972

Re: File 3C8 3463

Insured: Adjuster—Edgar Hansen

Pursuant to your request of this date, enclosed herewith is the above mentioned file.

The memorandums from Mr. Belger regarding this matter have been submitted along with the personnel file.

Best Regards,

Enc.

JJC:mbs

cc: Mr. C. Amis

/s/ John

John J. Cartiglia

Claim Manager

RESPONDENT'S EXHIBIT NO. 10

Long Island Region
August 31, 1972

Mr. Charles J. Amis
Vice President

Re: Edgar Hansen

Pursuant to a phone call from Mr. Hansen, a conference was held with Mr. and Mrs. Hansen on Wednesday afternoon, August 30th, in my office. Present at the conference were Mr. and Mrs. Hansen, District Claim Manager, Don Belger, and I.

At the outset I informed Mr. and Mrs. Hansen that I had agreed to meet with them to give them an opportunity to talk with me on a face to face basis—but that the decision regarding Mr. Hansen's termination was irrevocable.

Mr. Hansen continued to maintain that he had done nothing wrong and the Company was taking an arbitrary position. Mrs. Hansen (who, incidentally did most of the talking during the course of this conference) launched into a lengthy explanation regarding the fur coat.

She stated that she had received the coat as a 25th anniversary gift and had sent it back to Kleins to have the pockets deepened and two weeks later was informed by Kleins that the coat was stolen or lost—in short, it was missing.

She stated that she attempted to have Kleins replace the coat, but was told by Kleins that it could not be replaced for less than \$1400.

In the interim, her children had talked to her regarding the campaign to save the seals in Alaska and that animal furs should not be used by people and she decided to do without a fur coat and purchase something else instead. Mr. Hansen interjected the comment that the figure on this coat had been placed there by our own furrier.

I asked if the coat were long or short and Mrs. Hansen answered me, stating that as she is a short person and this was a short coat—the furrier at Kleins had agreed to add a row of skins along the bottom to bring it one inch below the knee—thus making it a long coat for her because of her stature.

Mr. Hansen stated that if we felt this was wrong we could have taken away his company car or moved him to another office—but that termination was too drastic.

Mrs. Hansen interjected at this point that even criminals get a second chance and wouldn't we give Ed a second chance, considering all the years of service he has given to this Company.

She also added that the punishment should fit the crime and this was excessive, in her opinion. She continued to stress the fact that everyone is entitled to another chance. She asked me if I lived with a person for twelve years and that person spilled a bottle of ink—would I kill them for it?

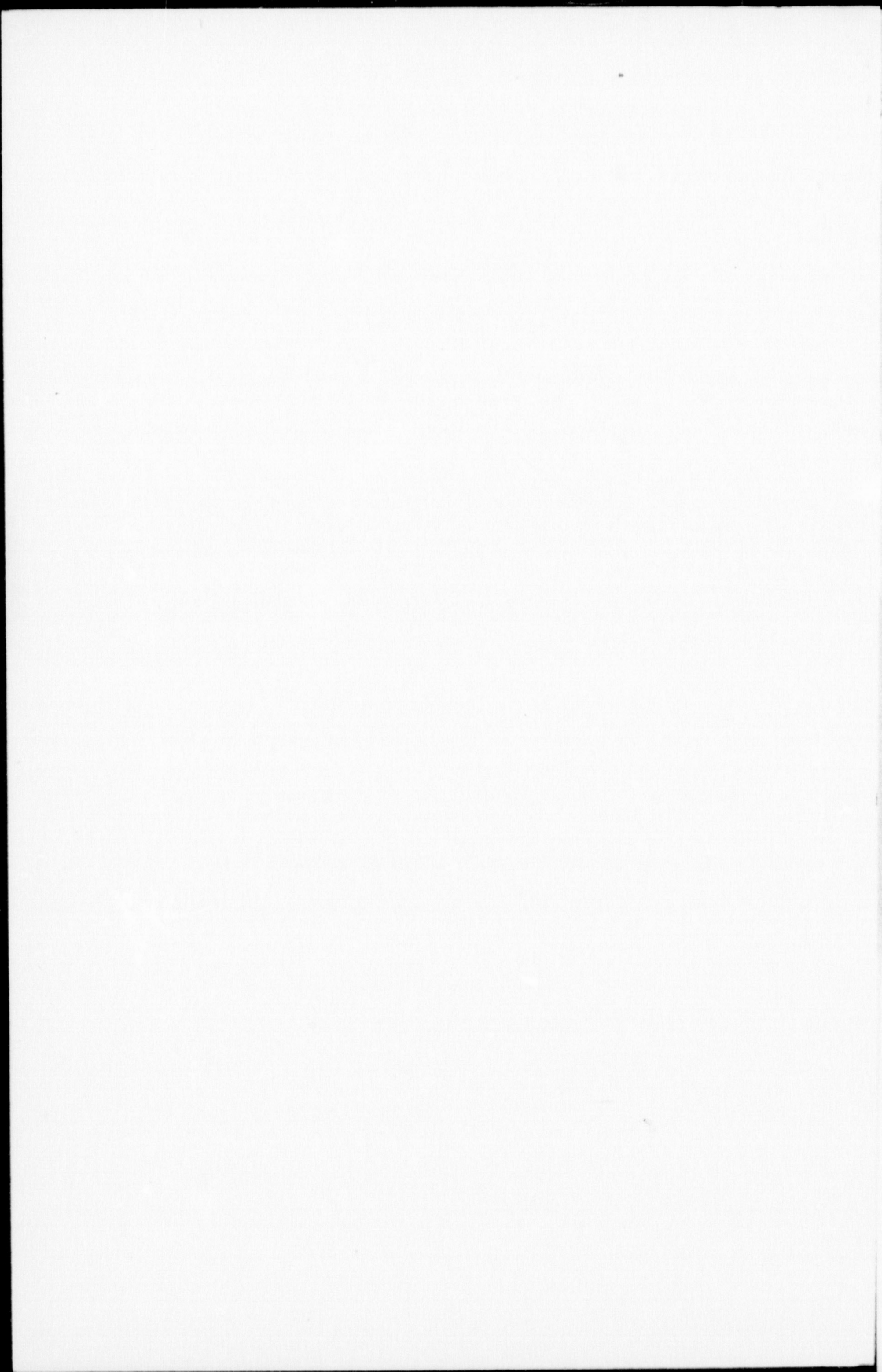
I repeated my earlier statement that the decision was irrevocable and that there was no sense continuing our discussion.

At that point, Ed Hansen said that he felt there were other reasons for the termination. I informed them that they had been given the reason for the termination and I was not interested in engaging in a discussion of other factors which he felt were involved, as there weren't any.

Mr. Hansen then said that he was going to take the matter further, to which I responded "Do whatever you think you have to do".

Mrs. Hansen continued asking that Ed be given a second chance and that we find some other form of punishment for him because of this one incident other than termination—that termination was too harsh and that in a court of law criminals are given a second chance and so on.

Mr. Hansen commented that because of his age he would have difficulty getting another position and added that people felt that he was being let go because of his age (namely 52).



I asked him if he felt that was so. His answer was in the negative—but he said that some people feel that this is so.

The discussion was then terminated and they left the office.

/s/ John

John J. Cartiglia

Claim Manager

JJC:mbs

cc: Mr. R. Morris